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# Liberal Democrats' Vision of Japan: Us or Chaos NATO Will Use Jets

By David E. Sanger

New York Times Service

NAGOYA, Japan — Prime Minister Kiichi Miyazawa has a vision of what Japan may look like after Sunday's elections. Should the opposition win, he tells crowds on a campaign tour across the country, the Japanese should brace themselves to slide into Third World chaos.

If the Social Democratic Party, which opposes nuclear power, joins in forming a new government, he warned the other day, "it is clear that we will have hours of blackouts everyday like in the Philippines." Japan has been pouring in foreign aid to keep the lights on

crats, says Mr. Miyazawa is wrong. Japan, he said recently at a rally near Tokyo, will look

more like Italy. The calmet will be changing all the time. the economy will be io disarray, the number of thieves and beggars will increase, and so will robberies and rapes." he said.

"I have never heard of a country that pros-pers with the political situation in chaos," he

These are desperate days for the Liberal Democratic Party. So, in a last-ditch effort to stem a hemorrhage of support, its leaders are running what amounts to a campaign of lear. After 38 years as the party of ever-increasing prosperity — new bullet trains, high-tech office are racing across the country this week warning that Japanese voters risk destroying all that

Mr. Miyazawa is having a difficult time getting his message across because many candidates have asked him, as politely and indirectly as possible, to stay out of their districts. No one wants to be tarred with the prime minister's failure to pass a political reform bill or with his single-digit popularity ratings.

But in a country with an electorate as conservative as Japan's, the message of imminent ruin is enormously forceful. It plays particularly well in the countryside, where local fortunes have traditionally depended on the Liberal Democrats largess with public-works projects.

modest swing back to the governing party. Some analysts say that the party may now be able to retain the 222 seats it was left with in the House of Representatives after a fifth of the membership defected last month, leading to a vote of co confidence. According to polls published Wednesday, the Liberal Democrats could wio nearly 230 seats.

That would not be enough to command a majority in the 512-seat chamber. But it would make the party the leading member of any coalition government, able to freeze out the rebel forces if they could lure about 25 independents or members of minor parties into an

# in the Philippines. Michio Watanabe, a former foreign minister and a leader of the governing Liberal Demoalliance of convenience. Mr. Miyazawa's strategy, in evidence when parks, full employment — the party's officials See JAPAN, Page 7 In recent days, newspaper polls have shown a

FLOOD WEARY - An exhausted volunteer on a dike in West Des Moines, Iowa. President Clinton visited the Midwest, unveiling a \$2.48 billion aid plan Wednesday. Page 3.

# In Central America, the Guerrillas Show They're Alive

Washington Post Service

MANAGUA — Explosions that ripped through a car repair shop to the outskirts of Managua at dawn May 23 sent shock waves far beyond Nicaragua. From the dehris have emerged a guerrilla arsenal threatening the Salvadoran peace process, documents detailing a Marxist kidnapping ring directed against Latin American millionaires, and huodreds of false passports and identity papers.

The three blasts that tore through the Santa Rosa neighborhood killed two people, damaged 16 houses and exposed a sophisticated hunker including 19 surface to air missiles.

The underground vault also held the passports, falsified identity papers and documents

laid to the kidnapping ring.
Investigators and diplomats said there was strong circumstantial evidence that the arsenal and the ring operated with at least the tacit approval of Nicaragua's leftist Sandinista National Liberation Front, which held power from 1979 until 1990 and whose leaders still control the army and state intelligence.

In Washington, the State Department expressed "very deep concern" Wednesday over the discovery of the arms cache and the pres-

beneath the shop containing tons of weapons, ence of an international terrorist operation in Nicaragua. The Associated Press reported.] The vault "looked like a one-stop shopping center for terrorist activities, where you could get guns and documents," said a diplomat fa-miliar with the case. "You would have to be extraordinarily naive to think this was not un-

der the aegis of some part of the intelligence operation of the Sandinistas." Because some fraudulently obtained Nicaraguan passports were discovered in March at the home of a suspect arrested in New York in connection with the Feh. 26 bombing of the World Trade Center, U.S. investigators have also visited here twice to see if any links exist

between the cache and the New York blast. A U.S. Embassy spokesman said he could not comment on the continuing investigation.

U.S. authorities found five Nicaraguan pass ports, five Nicaraguan hirth certificates and two driver's licenses when they arrested Ibraham Elgahrowny in Brooklyn in early March. The passports contain photographs of Sayyid A. Nosair, his wife and children, Mr. Nosair is in prison in New York, convicted of a weapons charge after being acquitted of the 1990 murder

of Rabbi Meir Kahane A Nicaraguan judge in April convicted six

See NICARAGUA, Page 7

# In Bosnia to Protect **PeacekeepingForce**

By Joseph Fitchett utional Herald Tribune

PARIS - The NATO alliance ratcheted up its involvement in Bosnia on Wednesday with a decision to use ground-attack aircraft to protect United Nations peacekeepers —and in practice the Muslim enclaves — against attacks by Ser-

bian and Croatian forces.
U.S., French, British and Dutch attack planes were reported to be converging on air bases in Italy in preparation to start flying the new mission, probably next week, according to officials who disclosed the NATO ambassadors' approval of the plan at their weekly meet-

Allied officials said that the careful planning of this new NATO peacekeeping operation—
approved by all the allies, including France—
should produce a smoother operation than the
intervention in Somalia and thus provide a

model of NATO's capabilities for the future. No public confirmation was forthcoming from the headquarters of the North Atlantic Treaty Organization, where officials want to let the political initiative come from the United Nations Security Council, but the official UN

request is thought to be only a formality.

The fresh Western military commitment comes late in the sense that Serbs and Croats appear to be close to crushing the Muslim-run Bosnian government's forces.

But Western governments hope that the escalation will preserve the remaining Muslim en-claves and provide some negotiating leverage if the Muslims decide to seek a political settle-

That prompted NATO governments to proceed with implementation of a UN resolution in May, setting up safe-haven areas and authorizing the use of air power against ground targets in Bosnia.

The NATO plan will involve about 60 warplanes, mainly low-flying U.S. A-10 Warthogs designed to knock out tanks and artillery. They will be protected by strike aircraft, including French and British Jaguar fighters and Dutch

Technically, the warplanes are supposed to go into action only to protect UN peacekeepers. In practice, the UN units, mainly French and British, are located mostly in the safe havens, which constitute the nucleus of a Muslim rump state if Bosnia is partitioned.

ESTABLISHED 1887

In NATO's operational planning, air strikes must be called for by ground units under the

The United States opposes sending Iranian

UN flag. Those commanders are said to be eager to get this protection and ready to work with NATO.

The allied air campaign will operate under the command of a U.S. admiral who is the top

troops to Bosnia. Page 2.

NATO officer in the Mediterranean. France, departing from its usual reticence about seeing NATO expand its role, joined the new mission because its ground forces — nearly 4,000 of the roughly 9,000 peacekeepers in

former Yugoslavia — are in danger as the Bosnian fighting moves to a climax. NATO officials are hopeful that air power will work more smoothly in support of ground troops in Bosnia than it has in Somalia, where other governments have complained about poor coordinatioo between the attack helicopters and warplanes, which are mainly U.S., and infaotry from Pakistan. Italy and other countries taking part in the UN operation there.

"The difference is that Somalia involves a

coalition of the willing and the new action in Bosnia is the work of a functioning alliance."

according to an official at NATO. In more general terms, NATO's preparations for the expanded air campaign in Bosnia — where the alliance has been keeping Serhian aircraft out of the skies since April — have been made with an eye to demonstrating the alliance's ability to function effectively as a military arm of the United Nations.

# **UN Command in Somalia** Strained After U.S. Raid

By Keith B. Richburg

Washington Post Service International support for the United Nations military intervention in Somalia showed further signs of strain Wednesday amid recriminations over a U.S. gunship assault against a Somali warlord's stronghold that provoked a riot in

which four foreign journalists were killed. The raid also left as many as 54 Somalis dead, the International Committee of the Red

Pamphiets in Somali and English appeared on Mogadishu streets from a group calling itself Muslim Voice, warning: "We are going to launch an attack to the American compounds." The pamphlets called on "all Muslim countries in the world to kill Americans in their coun-

[lo London, six British police officers were injured and nine people were arrested Wednesday when violence erupted outside the U.S. Embassy during a demonstration against military attacks in Somalia, Reuters reported. A police spokeswoman said the officers were treated for minor injuries.]

Mogadishu was reported to be tense, and aid workers said that they believed a threat of attacks against foreigners was high.

Italy said Wednesday that the Somalia campaign had turned away from its original hu-manitarian objective into "urban guerrilla op-erations," and it said Rome would seek to move its contingent out of the capital unless an agreement was reached with the UN on a new

An Italian statement called for the suspension of UN combat operations and a review of the multinational mission.
[In New York, Koffi Annan, the UN under-

secretary-general for peacekeeping efforts, said Italian forces in Mogadishu would be rede-

reported.

Mr. Annun refused to describe the transfer of General Bruno Loi as dismissal, saying that he preferred to think of it as "rotation." Mr. Annan said the 2,600-member Italian force would be redeployed on the advice of the UN leader-

ship in Somalia.1 Since UN offensive operations began in Somalia last month, Italy and the United States have clashed over the shape and character of the mission, with the Italians favoring more negotiation and dialogue with the Somali war-lord, General Mohammed Farrah Aidid.

The Americans, in private, accuse the Italians of "insubordination" for running, in essence, a separate line of policy and refusing to follow UN directives.

Italy asserts that the United Natious operation in Somalia has too many Americans in high policy positions. The Italians have deded a greater say in military planning something the U.S. has rejected.

After the U.S. helicopter gunship attack on

onday, the Italian press and the Vatican

See SOMALIA, Page 2

# At Lloyd's, a Criminal Inquiry

By Richard W. Stevenson New York Tomes Service

LONDON — The inquiries into the buge losses suffered by Lloyd's of London took a new turn Wednesday when officials said that prosecutors had opened the first criminal investigation ioto the activities of the insurance marker's underwriters. Lloyd's said it had been informed by the

Serious Fraud Office that prosecutors were investigating Gooda Walker Ltd., which managed underwriting syndicates that have run up some of the worst losses in the insurer's history.
Globala Walker syndicates have lost nearly \$1.5
billion over the last decade, wiping out scores of the 4,500 individual investors who financed the policies they issued and leaving many of the rest at risk of bankruptcy.

Word of the formal investigation came after several months of study by the Serious Fraud

Office of documents supplied to it by managers appointed to sort ont the mess at Gooda Walker. Officials said the investigation centered on whether Gooda Walker had inflated its stated profitability by improperly using complex in-surance policies designed to mitigate risk.

Many of the 20,000 individual investors at Lloyd's, who are known as "names," have long contended that fraud and mismanagement at some of the underwriting syndicates accounted for at least a portion of the billions of dollars in losses they are shouldering.

Thousands of names have joined groups that have filed civil lawsuits against their syndicates

and the agents who managed them. But until Wednesday there had been no public acknowledgment by prosecutors of any formal criminal proceedings.

Lloyd's said that it had supported the initial

See LLOYD'S, Page 18

# Kiosk

### Israeli Missile Fails

JERUSALEM (Reuters) — The sixth attempt to launch the U.S.-funded Israeli Arrow against a ballistic missile failed Wednesday in a shipboard test that could spell its end, security sources said.

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# Mafia Finds Bugs in Its Favorite Dishes

By Selwyn Raab New York Times Service

NEW YORK - Forget about the legal and sociological reasons offered for the decline of America's Mafia. Credit is due to crackdowns by the FBI and other investigators, but the underlying cause of the mob's deterioration is

more simple — gangsters talk too freely and eat too prodigiously. Gastronomy is a defining force in the collective persona of the moh, and undercover agents and informers are exploiting the Cosa Mostra's eating habits. Omertà — the code of falence --- seemingly vanishes when mobsters

After a decade of futilely investigating Paul Castellano, the late boss of bosses, the FBI

finally got the goods oo him by planting a bug. They concealed it in the kitchen of his Staten Island mansion, the White House. While Castellano and his henchmen in the Gambino family are and imhibed, they also uncorked a cornucopia of incriminating secrets for the FBI's eavesdroppers in the

Omertà has become obsolete as turneoats, to save their own necks, stream into the Federal Witness Protection Program and tes-tify against their confederates. There is rarely a Mafia trial these days without a good measure of testimony emanating from a pasta sitdown or a cannoli klatsch

Books by and about canaries have become an industry. Often the most riveting scenes

are culinary. A recent one is "Joe Dogs: The Life and Crimes of a Mobster" by Joseph lannuzzi, a "wannabee" who never rose above the rank of "soldier" in the Gambino family. In his quest for membership, Mr. lannuzzi dahhled in narcotics, burglaries, frauds, loan sharking and bookmaking and served as a slugger (enforcer) before becoming an FBI informer.

But based on his U.S. Army K.P. experience, a brief stint as an apprentice chef and some talent, Mr. Iannuzzi was quickly accepted as a gourmet among gangsters. Many scenes of mayhem, deals and carnage in his career revolved around restaurants and pri-

See OMERTA, Page 7



BLOWING FRANCE'S HORN — A trumpet player, mouthpiece at his lips, before the July 14 parade on the Champs-Elysées in Paris on Wednesday.

# Thatcher's Plea For Plebiscite Loses, 445-176

LONDON - Former Prime Minister Margaret Thatcher hroke openly Wednesday with the Conservative Party government she headed for more than II years, leading a revolt in the House of Lords over ratification of the Treaty on European Union.

Despite Lady Thatcher's stinging criticism of the treaty and her first vote in defiance of the party's leadership in her 34 years in politics, the revolt fell short, moving Britain one step closer to completing what has been a tortuous journey towards ratification.

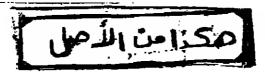
By a vote of 445 to 176, the Lords rejected a contentiously debated but largely symbolic measure backed by Mrs. Thatcher requiring a public referendum on the treaty, which calls for greater economic, diplomatic and military co-

ordination within the European Community. The House of Commons already had overwhelmingly rejected a similar measure, and would almost certainly have overturned a vote in favor hy the Lords. The treaty is supported by the government and both major opposition parties and is opposed primarily by rebel To-ries, led in spirit by Lady Thatcher, in both

houses of Parliament Despite the larger-than-expected margin of victory for the government, the day made clear that Mrs. Thatcher remains a potent and restless force in British politics, and one who if nothing else is exceedingly irksome to her suc-

cessor, Prime Minister John Major. The treaty still faces a test in the Commons this month, over whether Britain will accept EC rules on working conditions. Britain is the only country not to have completed ratification except Germany, where a court challenge to the

See TREATY, Page 7



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Washington Post Service KUTINA, Croatia - Nihad Beslagic, a Muslim, and Ivica Tomic, a Croat, did not know they had a lot in common before they started playing chess together at a refugee camp here.

Now they know they share an equally grim past, a bleak present and a very uncertain future.

Both men are victims of "ethnic cleansing" at the hands of their Serbian neighbors - driven from their homes in northern Bosnia, stripped of their property, extorted for "exit visas" and forced into exile from their homeland, possibly forever.

Now, day after day at this refugee village 45 miles east of Zagreb, the Croatian capital, Mr. Beslagic and Mr. Tomic play cliess together and ponder what will happen to them and to people like them — the real pawns in the endgame of the Bosnian tragedy. They seem to be certain of only one thing.

"I know there is no chance for us to return to the land I come from," said Tomic, 38, a miner from

### **Journey to Europe**

Last of a series

Sanski Most west of Banja Luka, "There will be no cease-fire ever in my home area." Down the road, in the same settlement, Ante Ko-

muskie, another "cleansed" Croat from northern Bosnin, agreed.
"There can be no more fair, tales about democracy

or help from the West," he sud. "I'm a foreigner now The civil wars fought over the carcass of former Yugoslavia these past two years have given rise to a

massive diaspora of more than a million Muslim and Croat refugees - the largest case of "forced migration" in Europe since the population displacements caused by World War II. About a quarter of Bosnia's prewar population of 4.3 million has fled that land, spreading out across the world from Pakistan to the United States, from South

Africa to Finland, in search of new homes, jobs and direction for their shattered lives.

The neighboring countries of Croatia and Serbia have had to absorb a massive influx of more than 500,000 refugees from the Bosnian battlefields.

But more than 670,000 victims of the Yugoslav wars - the vast majority of them casualties of "ethnic cleansing" in Bosnia - bave found refuge in Western Europe, which is gripped by ethnic tensions, serious unemployment, too many African and East European workers, housing shortages and social welfare

Most of these refugees went to Germany, Austria and Switzerland before their borders began closing through such restrictive measures as visas, work per-mits, residence permits and letters of guarantee.

Some of the Muslims from Bosnia are emigrating to Islamic countries like Jordan, which has agreed to take 500, and Pakistan, which has offered haven to 10,000.

Most UN refugee officials would agree with Mr. Tomic's assessment that the vast majority of the refugees are unlikely to return to their homes, or even to Bosnia, for years, if ever,

And many refugee officials say the Bosnians may form the most volatile element, and the most serious long-term challenge, in what has become a massive wave of immigrants, asylum-seekers and economic migrants from Eastern Europe, Asia and Africa to the countries of Western Europe.

Many analysts are drawing parallels between the plight of the Bosnian Muslims and that of the

Zionists founded Israel, the Bosnian Muslims have ropean governments to issue visus.

and keep it handy for next time.

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Sadako Ogata, the UN refugee commissioner, arriving Wednesday in Sarajevo for an inspection tour. She called for more money.

One frequently asked question is whether Bosnian Muslim extremists will turn to seeking revenge on their enemies through terrorism, much as some embittered Palestinian factions have done ever since the foundation of Israel in 1948.

Ejup Ganic, vice president of the Muslim-led Bosnian government, has issued the first public warning. noting that the huge mass of homeless Bosnian Mus-lims forming inside the European Community could become a breeding ground for terrorisis.

This is particularly likely, he said, if there is a

widespread feeling among Bosnian refugees of betrayal hy European nations that refused to arm or help their country. "If the international community decided to finish

with us, of course terrorism will start all over Europe." It is probably too early to judge the lasting impact

of the influx of Bosnian refugees into Western Europe. But already it is clear that this group of immigrants will be exceptional. "These are not normal immigrants," said Alessan-

dra Morelli, an official in Karlovac of the UN High Commissioner for Refugees. "They didn't choose to go abroad. They were forced to." The Bosnians not only were forced to emigrate but.

in many cases, also did so with nothing but the clothes they wore. Thousands have begun a new life as charity

Their single biggest problem, Miss Morelli said, is Like the Palestinians, who lost their homes when the growing reluctance of economically strapped Eu-

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Sprint Express' is the painless way to call a foreign country when you're already in one-

lost theirs to Serbs — and perhaps now to Croats as well — determined to establish a religiously and ethnically homogeneous nation.

Germany, which has taken the biggest number of be welcome because of the Musum-Croatian againing to essential to essential to ease international concern, said late last month that there would be no chance in Croatia's policy. countries" like Poland and the Czech Republic, Swe-Denmark and now Poland are requiring entry

> along the northern border of Bosnia, to take the brunt of the fallout.

> Creatia is struggling to cope with 271,000 Bosnian refugees, in addition to 254,000 displaced Creatians from the 22 percent of Creatia held by Serbs in the

"In terms of the percentage of our total population, it's as if the United States had to accept 30 million Mexican refugees," said Josip Esterajher, spokesman for the Croauan government's Office for Displaced Persons and Refugees.

The cost to the Croatian government for housing feeding and caring for these people will be \$746 million this year, according to Mr. Esterajher. The entire government budget is around \$1 hillion.

The government has been giving each displaced Bosnian Croat — although not Bosnian Muslims — a supend of about \$12 plus \$5 for pocket money each

Tensions between the huge Muslim refugee population — at least 70 percent of the total — and Croatians have increased, parily because of the recent eruption of warfare in central and southwestern Bosnia be-

there would be no change in Croatia's policy.

"Croatia is the only European country whose bor-

ders are still open," he said. The closure of Europe to the continuing tide of UN officials say that, in fact, Croatia continues to Bosnian war victims has left Croatia, a front-line state take in thousands of Bosnian Croat refugees — with no questions asked - and that as of late June, there has been only one case of Bosnian Muslims being deported to Bosnia. UN officials intervened to stop it. Still, Croatia clearly has a double policy toward Bosnian refugees, one for Croats and another for Muslims, Muslims can enter Croatia only with a transit visa for passage to n third country, and do not

benefit from government subsidies.

Croats, on the other hand, are treated almost like full-fledged Croatian citizens and can get passports relatively easily.

But the plight of Muslim and Croatian refugees seems remarkably similar in the telling, Take, for instance, the two cases of Mr. Beslagic and Mr. Tomic, the chess players.

Both have found the same accommodations in the Kutina resettlement camp, a prefab village with new paved roads and fresh landscaping that houses 1,400

people in 105 specially insulated homes.

But nobody is helping either Mr. Beslagic, a butcher by trade, or Mr. Tomic, a miner, to get work permits, a loan or a job or to become integrated into the commu

tween Croats and Muslims, erstwhile allies against the Serbs.

Vladimir Seks. Croatia's deputy prime minister. recently hinted that Muslim refugees might no longer

U.S. Opposes Iran

# WORLD BRIEFS

# Mexico to Repatriate China Refugees

MEXICO CITY (AFP) — Mexico agreed Wednesday to receive and repatriate at least 659 Chinese emigrants stranded in international waters off its Pacific coast, officials said.

Deputy Foreign Minister Andres Rozental said the move was based on humanitarian concerns, but added that the Chinese would be repatriated immediately, the boats would be seized and their crews put on trial for

The three ships were intercepted July 6 by the U.S. Ceast Guard off Baja California, Mexico. The Chinese were believed sailing for the United States as part of a smuggling operation.

# Cambodia May Accept Khmer Rouge

PHNOM PENH (AP) — A Cambodian leader indicated on Wednesday that the government was prepared to risk losing foreign aid by accepting a deal offered by the Khmer Ronge to end the civil war.

"Most important now is that Cambodia should remite," said Hun Senco-chairman of the interim government. "It should not allow foreign countries to use their economic influence to divide Cambodia."

The Khmer Route leader Khien Samphan, offered Tuesday to turn

countries to use their economic influence to divide Cambodia.

The Khmer Rouge leader, Khieu Samphan, offered Tuesday to turn over command of the group's 10,000-strong guernilla force and the 20 percent of Cambodia that it controls if his group was given a position of permanent adviser to the newly elected government. The United States has vowed to withhold aid if the Khmer Rouge is given a role in the government. Prince Norodom Sihanouk, the Cambodian head of state, said in a statement Wednesday that Cambodian leaders would meet with the Khmer Rouge in September to discuss its proposal.

# Kim Philby's Long Grim Good-Bye

MOSCOW (AP) — Kim Philby, the British-born Soviet spy who died at 76 in Moscow in 1988, spent the last 18 years of his life as a recluse, distilusioned with communism, troubled by drink, unwanted even by the KGB, his Russian widow said Wednesday in her first public appearance.

The woman, Rufina Pukhova, is writing a book about her 18-year The woman, Ruthus Putchova; is writing a book about her te-year marriage to Mr. Philby and answered questions from journalists at the offices of the newspaper Literaturnaya Gazeta to promote the book. She said Mr. Philby never expressed regret for his spying, or homesickness for England. But he felt discarded by the KGB, whose officers viewed him as a suspicious foreigner. He rarely left the apartment, she said, and listened to the BBC radio news each morning over a cup of tea, then read British newspapers, watched sports on television and did crossword puzzles.

Mr. Philby was one of history's most processful double agents. For

Mr. Philby was one of history's most successful double agents. For two decades, from the mid-1930s to the mid-1950s, he passed British and American secrets to Moscow while working at the top level of MI6, the British intelligence service.

### U.S.-North Korea Progress Cited

GENEVA (Reuters) - The United States and North Korea reported unspecified progress Wednesday in negotiations to open two suspected nuclear sites in North Korea to international inspection.

After meeting for seven hours, officials from the two countries said that

After meeting for seven noise, ornicials from the two countries said that the talks had been "useful" and that they would meet again on Friday.

U.S. officials had said in advance that the talks would only resume on Friday if progress was made.

"The two sides agreed that the discussions we had today were productive and useful." said the North Korean furst vice minister of foreign officials. The productive had not with a 11 secretary of state.

affairs, Kang Sok Ju, after had met with a U.S. assistant secretary of state. Robert Gallucci. The talks, held at the U.S. mission in Geneva, followed an earlier round in New York in June. Those talks led to North Korea suspending its threat to withdraw from the Nuclear Nonproliferation

# Russian Troops Retake a Tajik Post

DUSHANBE, Tankistan (Combined Dispatches) - Russian troops recaptured a border post in Tajikistan on Wednesday after a fierce fight with Muslim guerillas infiltrating from Afghanistan, officials and news

The battle was so intense that the Russian detense minister, Pavel S. Grachev, said Russia should reinforce the frontier immediately with more troops, tanks, artillery, lighting vehicles, attack planes and possibly

Post No. 12 near the village of Sarigor was attacked from the Afghan side of the frominer Tuesday in what officials called one of the bloodiest cross-border attacks in recent mooths. When Russian and Tajik forces backed by aircraft and artillery retook the post, they found 20 of their comrades dead, said Major General Anatob Chichulin, commander of Russian border troops in Tajikistan.

### 400 Race Crimes in May in Germany

BONN (Reuters) — Germany registered 400 ethnic crimes in May incloding injury to 96 people and the death of five in attacks by extreme rightists, the government said Wednesday.

In answer to a question in parliament, it said the attacks included 33 cases of arson, 59 beatings and 308 offenses such as property damage.

threats, insults and theft.

Sixty-six people have been detained and six charged. The May figures included arson that killed two Turkish women and three children in the western city of Solingen. The police registered 141 extremist crimes in January and February. There were more than 500 in September.

# TRAVEL UPDATE

### **Court Condemns Blackpool Beaches**

LUXEMBOURG (AP) - The European Court of Justice on Wednesday faulted the British government for failing to guarantee clean water for swimmers at Blackpool on the Irish Sea, one of England's most

popular seaside resorts.

The court ruled that water off Biackpool fell below European Community requirements over sewage pollution. It said Britain failed to meet Bi laws obliging member states to clean up beaches. It ordered London to pay legal costs.

The British government dismissed the ruling as largely technical. Environment Minister Tim Yeo said a £2 billion (\$3 billion) cleanup operation would bring Britain's coastline to EC standards by 1995.

The changing of the guard at London's Buckingham Palace is being cut down to every other day—disappointing tourists and the British travel industry—as an economy measure in an era of shrinking defease budgets. Until now, the colorful Coldstream Guardsmen changed the

guard daily. Italian Unions called off a nationwide strike of public transport workers intended to stop buses, streetcars and subways in the major Italian cities. Thursday after the government's decision to enforce reforms for Italy's ditional troops to protect the six

public transport system.

Czech Republic border guards have started passport controls on border crossings from Slovakia, the Interior Ministry said in Prague on Wednesday. Crizens from the former Czechoslovakia are exempt. (Ressets) sday to demonSouth Korea opened a consulate-general in Shanghai, its first in Chine
Muslims.

(AFP, Reuters) is expected soon to open a consulate-general in Pusan, Korea. (Reuters)

Niki Pilic Starting August 22 2 Tennis weeks SFr. 2670.-/week

PALACE HOTEL **GSTAAD SWITZERLAND** Picase call: Phone 030/83[3] Telefax 030/43344 The leading liotels of the World

# For Bosnia Mission to protect themselves against possi-ble acts of Iranian-inspired terror-Still, the official said, "given the

Foreign Secretary Douglas Hurd

of Britain, answering questions in Parliament, said Wednesday that

he believed there was a strong case

for Muslim troops to serve in Bos-nia. But be added. "I don't myself

think that Iran would be a suitable

A State Department spokesm

Michael McCurry, indicated that

the United States would defer on

the issue to Secretary-General Butros Butros Ghali. It is for Mr. Butros Ghali, Mr. McCurry said, to

decide on the appropriate deploy-

ment of forces, and the United

States would refrain from com-

menting on the participation of particular states.

was in close consultation with the

secretary-general but that he did

not know if Washington formally

tries that ought or ought not to

If Mr. Botros Gbali decides to

approve the Iranian contingent, the

United States then would decide whether there was any cause for

The United Nations has asked member states to provide 7.500 ad-

safe zones in Bosnia declared by

In Dhaka, Bangladesh, nearly

had offered opinions on the coun-

supply troops.

concern, he said.

the Security Council.

He said that the United States

candidate for that."

Compiled by Our Staff From Dispatches WASHINGTON - The United States opposes sending Iranian troops into Bosnia-Herzegovina to fact that we are not providing defend security zones for Bosnian ground troops, it is not up to us to civilians, according to a State Department official.

There would be "substantial problems with a sizable contingent of Iranian troops in Bosnia," official said Tuesday, referring to a proposal from Tehran to put 10,000 men at the disposal of the United Nations as a part of an offer made by the Organization of the Islamic Conference, based in Is-

At a meeting in Islamabad on Tuesday, the Organization of the Islamic Conference proposed offering 17,000 troops to the world body from six countries including Iran and the "State of Palestine."

The U.S. official said the Clinton administration would not make its opposition known officially because of the criticism such a move could draw from the countries taking part in protecting the safe areas in Bosnia.

While the administration official did not specify the nature of these problems. Washington for days has said Tehran's influence in the former Yugoslavia is growing and that foreign nationals should take steps

### Liberia Refugees Trapped

MONROVIA. Liberia - About 50,000 refugees are trapped in northern Liberia and face starvation unless aid can reach them, relief workers said on Wednesday. Aid workers said heavy rain had washed away much of the road and damaged bridges, making it difficult for aid convoys to get through.

15,000 people marched in the streets on Wednesday to demonstrate support for Muslims

Continued from Page 1

# SOMALIA: UN Command Strained by U.S. Attack

joined the government in criticizing the course of the UN Somali campaign. The Italian daily La Repubblica said: The American action is incomprehensible and unjustifiable. It compared the United States in Somalia to a Wild West

bounty hunter who shoots up a saloon, killing bad guys and good guys alike. Avenire, official newspaper of the Italian Roman

Catholic hishops, called the air strike "a vile American raid." The Vatican paper L'Osservatore Romano said the intervention by the Americans "demonstrates, if there was any oeed, that the original objective of the mission has been abandoned.

Germany's opposition Social Democrats said the violence in Somalia called into question Chancellor Helmut Kohl's decision to send a contingent of 1,600 German troops there on what would be that country's first overseas deployment since World War IL The Social Democrats said the troop offer should be

ported. "Nothing has changed in our mission." Mr Ruhe told the newspaper Hamburger Abendblatt in an interview made available ahead of publication on Other nations with key troop contingents in the

United Nations coalition, like Pakistan and France. have strongly backed the military strikes. The Paki-stani Foreign Ministry said in Islamabad that without the U.S. air strikes there would be "chaos in the Country."
In Washington, Senator Robert C. Byrd, Democrat

of West Virginia, became the first senior U.S politician to break with the administration's policy. He called for the 4,000 U.S. troops in Somalia to "pack up and go

General Aidid showed no signs of relenting in his hit-and-run ambush attacks that have turned the southern half of Mogadishu into a guerrilla war zone. General Aidid, in an interview to be published soon in the Italian weekly Famiglia Cristiana, said:
"We are ready for a dialogue. Immediately as

without preconditions. But we do not intend to submit (Germany will go ahead with the plans, Defense to the arrogance of the military might of the United Minister Volker Ruhe said Wednesday, Reuters re-States and other subordinate powers."

Printed by Newsfax International, London, Registered as a newspaper at the post office,

### Health Industry Pours Funds Into Congress

WASHINGTON - President Bill Clinton's health-care plan has not even made it to Capitol Hill and already the health and insurance industries have increased their political action committee donations by 20 percent, giving \$2.2 million in the first five months of 1993, most of it to key health-committee members.

An analysis of Federal Election Commission records by the

consumer group Citizen Action shows overall PAC giving rose by 8 percent from the similar period in 1991. Citizen Action favors a single-payer, Canadian-style health system.

Hospitals, bealth-maintenance organizations and nursing homes increased their contributions at the fastest rate — 49 percent —

followed by doctors and other health-care professionals, at 31

Members of the Finance Committee in the Senate, and the Ways and Means, and Energy and Commerce panels in the House received nearly half of all the health and insurance industries' PAC money. The 20 members of the Senate Finance Committee averaged \$11,912. Those benefiting the most were the chairman of the Senate Finance Committee, Daniel Patrick Moynihan, Democrat of New York, who received \$70,500, and the leader of the Democratic majority in the House, Richard A. Gephardt of Missouri, who

### High Court Nominee Gets Highest ABA Rating

received \$50,000.

WASHINGTON - The American Bar Association has given Judge Ruth Bader Ginsburg its highest rating on her fitness to be a

Supreme Court justice, congressional officials said.

The rating of "well qualified" underlined the vastly changed political context in which Judge Ginsburg will face the Senate Judiciary Committee next Tuesday for her confirmation hearings, compared with that of the last Supreme Court nominee, Clarence

In 1991, the ABA's Standing Committee on the Judiciary gave Thomas a mixed rating, a majority giving him the middle grade of "qualified" and a minority deeming him "not qualified." The rating was conveyed on Tuesday to the Senate Judiciary Committee and to

Judge Ginsburg, who was nominated to the court by Mr. Clinton on June 14, is expected to encounter no serious opposition to confirmation. She has served on the U.S. Circuit Court of Appeals for the District of Columbia for 13 years, earning a reputation as a

Justice Thomas received the lowest rating ever given by the bar association to someone who was confirmed for the court.

The justice nominated before Justice Thomas, David C. Souter, received a unanimous "well qualified" rating from the bar associa-

During the 12 years of Republican rule in the White House, the bar association's role in judicial nominations was heatedly debated in legal circles. Many Republicans complained that the bar association was tilted toward liberal judicial candidates.

### Bush Subpoenced Over Arms Sales to Iraq

WASHINGTON - Former President George Bush was served with a subpoena to appear as a witness in September at the trial of an Atlanta banker who is accused of making nearly \$5 billion in

unauthorized loans to finance Iraq's arms buildup.

The lawyer for Christopher P. Drogoul, the banker, said Mr. Bush's testimony and documents he may possess were needed to demonstrate the main point of his client's defense — that Mr. Drogoul was carrying out the Bush administration's policy of tilting toward Iraq in its war with Iran and of trying to woo President Saddam Hussein with American arms and dollars.

### Clinton Names European Community Envoy

WASHINGTON - Mr. Clinton has named Stuart Eizenstat, a former aide to president Jimmy Carter, as the next U.S. ambassador

to the European Community, the White House said.

Mr. Eizenstat, whose appointment must be confirmed by the Senate, currently heads the Washington office of a law firm based in Atlanta.

From 1977 to 1981 Mr. Excustat, 50, was Mr. Carter's main-

domestic policy adviser. Before that, be served on the White House staff of president Lyndon B. Johnson, also a Democrat. "Stuart Eizenstat has been an important, and highly respected voice in national and international policy debate for many years."

the White House statement said. (AFP) the White House statement said.

### Rift Divides Abortion Proponents in Congress

WASHINGTON -A growing number of female lawmakers are reconsidering their support for the most far-reaching abortion rights islation before Congress this session, exposing a widening schism within the ranks of those who call themselves "pro-choice" an

further clouding the prospects for the bill.
"It is very serious," said Representative Maxine Waters, Democrat of California, adding that the widening disagreement, which has taken on racial overtones, marks "the first time that I have witnessed this kind of division in the women's movement around this issue.

Supporters of the bill, which is known as the Freedom of Choice

Act, say they seek to write into law the Supreme Court's landmark 1973 Roe v. Wade decision establishing abortion as a constitutional right, which would take the issue out of the hands of the courts. The legislation is running into difficulties because its supporters

cannot agree over how sweeping it should be.

The outlook for the bill is particularly questionable in the House.

Don Edwards, Democrat of California, chairman of the House.

Judiciary Committee subcommittee that wrote the bill, said supporters were counting their votes every two or three days, and had yet to

come up with a majority.
"We're rather close," he said, "but we're not there yet. I won't kid

The dispute among abortion rights advocates centers on provisions in the bill that give states the option of deciding whether to pay for poor women's abortions and whether to require parental involvement before a minor can get an abortion. Polls show that while most Americans believe a woman has a right to an abortion, it should not be paid for by taxpayers, and that minors, in most cases, should not receive abortions without the knowledge of their parents. (LAT)

### Quote/Unquote

Senator Don Nickles, Democrat of Oklahoma, on the nomination of Joycelyn Elders as surgeon general: "She cartainly seems to be a radical in favor of abortion, in favor of birth control devices distribution for children, sex education for very young minors. They're enough to sink het nomination."

(AP)

### **Away From Politics**

• Archeologists have dag up a fossilized egg in what they believe was a dinosaur nesting area 145 million years ago during the Jurassic period. "If we find embryonic bones, they can be linked to who laid the eggs," said Ken Carpenter, who is directing the dig near Denver. "We haven't been able to do that during the Jurassic period." So far, the dozens of dinosaur eggs found containing embryos have dated from about 65 million years ago when the creatures began to disappear. The Jurassic period lasted from 180 million to 130 million

• The operator of the trans-Alaska pipeline, Alyeska Pipeline Service Co., has tentatively agreed to pay \$98 million to settle thousands of lawsuits over the Exxon Valdez oil spill. Exxon Corp. would remain

• A mistrial was declared after a jury in Washington was deadlocked in the case of a man accused of raping a woman who had asked him to use a condom she provided. After the mistrial was declared, the jury reported that its final vote was 10 for acquirtal and two for

conviction of Jawad Flamri, 31. • A federal judge said he was wrong in January when he barred New York state from adopting California's strict rules on air pollution from cars — rules aimed at eliminating the kind of smog that

blanketed the region last week. The parents of a Japanese exchange student who was shot to death in Baton Rouge, Louisiana, when he knocked at the wrong door looking for a Halloween party are suing the man who was found not

comong for a riamoween party are sung me man who was found not guilty of manslaughter in the case.

• In a rare, long-term study of heroin addiction that spans nearly a quarter-century, researchers at the University of California, Los Angeles, have found that the average age of death for frequent users of the drug is 40, and that those who do not quit by their late 30s are AFP, AP, NYT, LAT

# Aspin Said to Back a 'Don't Ask, Don't Tell' Gay Policy

### By Eric Schmitt

New York Times Service WASHINGTON - Defense Secretary

Les Aspin will recommend to President Bill Clinton that homosexuals be allowed to serve in the military as long as they do not make public or private declarations of their sexual orientation, gay-rights advo-cates said Pentagon officials have told

Mr. Aspin's decision as reported by the advocates would put the secretary behind one of the more conservative proposals offered in the debate over homosexuals in the military.

cy, but that would mean overruling his defense secretary as well as many members of the Joint Chiefs of Staff, who also support a "don't ask, don't tell" approach. By describing a policy clearly unpalat-

able to the gay-rights advocates, the Pentagon seemed to ensure that the proposal would land in public debate before Mr. Clinton makes a decision later this week.

The advocates who met with the Pentagon on Tuesday. Thomas F. Sheridan and Chai Feldblum of the Campaign for Military Service, said they had to justify the move as an effort to meet the concerns of the top brass, which they said must be done to make any progress at all.

Mr. Clinton, who had wanted to allow homosexuals in the military without respection could come an arith another coli

"homosexual conduct," not simply "homosexuality," was incompatible with military service, as the current policy reads.

If the policy emerges as described by the gay-rights leaders, it would resemble the stricter versions of "don't ask, don't tell" proposals supported by Senator Sam Nunn, Democrat of Georgia, who heads the Senate Armed Services Committee, and many of the Joint Chiels.

"The Joint Chiefs' and the Pentagon's position was presented solidly," said Mr. Sheridan, "They told us, 'li's this position or the president can decide for himself if he wants to go down in flames."

Mr. Aspin and his aides have been consulting with the chiefs to reach a comprostriction, could come up with another poli-

the ranks based on sexual orientation. In the face of suff military objections to crosexuals.

such a change in policy, civilian Pentagon officials have widely hinted in recent weeks that they might salvage only a change in the phrasing of what is considered compattble with military service.

Without a whole-hearted endorsement from the Joint Chiefs, conservative lawmakers — and perhaps even moderate ones geno - are ready to back a proposal to make a ban on homosexuals in the military the law would still be prohibited. of the land, rather than just a government policy as it now is.

lift restrictions on private speech and in-same sex on his or her desk.

tary policy would be rewritten to say that gree. Mr. Clinton's promise to end bias in sure equal enforcement and punishment of misconduct by both homosexuals and het-

As described by the advocates of gay

rights, the Pentagon's recommendation would include the following: · Public and private declarations of homosexual orientation would be prohibited. except when speaking to a chaplain, psy-

· Homosexual conduct on base and off

 Investigations into whether a soldier or sailor is homosexual would be sharply Advocates of equal rights for homosex-curbed. A person would not be investigatuals have fought to stop military discharges ed if he or she was seen at a gay bar or if he on the basis of sexual orientation alone, to or she had a photograph of someone of the

# U.S. and Russia Near Compromise On India Arms Sale

By R. Jeffrey Smith

nology to India, according to U.S. the basic technology that was at the rocket engines and associated tech-

The signs of a breakthrough about the deal. came several days after President Bill Clinton and President Boris N. Yeltsin agreed in Tokyo to try to settle what has been one of the thorniest issues in U.S.-Russian relations this year.

At the Tokyo meeting, Mr. Yeltsin said he was determined to end the impasse and had decided to replace the chief Russian negotiator, Deputy Prime Minister Alexander N. Shokhin, with another top official, the director of the Russian space agency, Yuri Koptev, U.S. officials said.

Moscow subsequently informed Washington that it would make a new proposal at negotiations betary of State Lynn Davis that between Mr. Koptev and Undersecregan Wednesday at the State Department. We've had glimpses of their po-

Several U.S. officials said that under the expected compromise, Washington would allow Moscow to fulfill its contract with India to sell rocket engines valued at \$300 million to \$400 million, but halt the transfer of some associated technology that initially was to be a key part of the deal.

The technology was meant to give India the capability to make its own ballistic missile engines, which could be used for military or for commercial space launch vehicles: unless a deal is reached. Washington had initially opposed the transfer of the engines and the technology, citing the prohibition against such sales under an interna-

proliferation of ballistic missiles.

deals reached with other nations. Washington Post Service Some U.S. officials have private-WASHINGTON — The United ly complained that the proposed States and Russia appear to be compromise would give Moscow nearing a compromise in a dispute most of what it wants, noting that over a proposed Russian sale of Russian factories have already secretly transferred to India some of

> core of Washington's concerns "li's basically a damage control operation." one official said. "A lot of what we hoped to prevent from happening has already happened." U.S. officials declined to say

what Russian missile technology that had already been provided to India, arguing that doing so would compromise sensitive U.S. intelligence-gathering techniques. But a U.S. official who supports the deal insisted that it was not merely a matter of closing the "barn door after all the horses have left." There are still some horses back

in the barn," the official said. Washington's diplomatic effort to interrupt the deal was regarded by many administration officials as

The United States has made the argument to Moscow that a viable Indian missile capability could one day pose a security threat to Russia sition, which appear to be encouraging, a senior administration of-ficial said.

day pose a security threat to Russia itself. It also has told the Russians that Moscow's strict adherence to the international missile agreement would improve its stature and result in new trade with the West. according to U.S. officials.

At the same time, the Clinton administration has been unwilling to threaten the withdrawal of billions of dollars in U.S. economic aid. Instead, it announced limited economic sanctions against two Russian companies involved in the Indian deal. The sanctions are scheduled to take effect Thursday

Mr. Koptev, who arrived in Washington on Tuesday night, is expected by U.S. officials to be more sympathetic to the U.S. positional agreement that restricts the tion than was Mr. Shokhin. His space agency stands to gain from entire deal should go through because the engines were to be used to clear that U.S. agencies and private launch commercial satellites, not companies will not collaborate for military purposes. Russian offi-cials also said that Washington had no right to interfere with business satellites on Russian rockets.



A Hannibal, Missouri, home owner, right, reinforcing a dike around his house with the help of his children and a family friend.

"The damage in the state of lowa

Federal Emergency Management

A fact sheet issued by the travel-

ing White House said funds would

go for payments to larmers, as well

Ms. Myers said the money was

intended to cover operations for

the remaining three months of this

White House on Thursday, promised quick action on Mr. Clinton's

In Washington, the leader of the cause of crop losses.

fiscal year.

# Clinton, at Flood Site, Promises Help quest for \$2.48 billion would be minority Republicans in the Sen-

DES MOINES, lowa - President Bill Clinton visited the floodravaged Midwest on Wednesday and promised to send legislation to Congress immediately for a minimum of \$2.48 billion in federal di-

saster relief.
"I bave seen whole towns flooded but I have never seen any-thing on this scale before," Mr. Clinton said after his helicopter passed over inundated fields, railroad bridges and the contaminated water works near the lowa capital city. Streets below him disappeared into tracks of muddy water.

"It's very bad," Mr. Clinton said.
This is a very profound problem." Following his helicopter tour, he answered questions on a radio program. "The spirit of the people seemed undaunted," he said, al-though he noted that several people had "choked up" as they contemplated the extent of the destruction.

Mr. Clinton praised the U.S. relief effort under way and urged Congress to "move in a speedy way to approve the aid measure.
Leading Republicans signaled their agreement, and Mr. Cinton said that the relief total was certain to be increased as additional damage estimates were compiled.

After his helicopter tour, Mr. Clinton went to a water distribution center and talked with people waiting in line with plastic jugs to festive air as people lined up to shake hands with the president.

"Hang in there," Mr. Clinton told many of those in line. "God bless you, Mr. President," said one caller during his radio ap-

It was Mr. Clinton's second visit to lowa io 10 days, and he said the situation had worsened noticeably is probably going to exceed \$1 bil-tion." Mr. Branstad said.

The White House press secrein the meantime, a reference to additional heavy rains and the disabling of the system that provides drinking water to the Des Momes tary, Dec Dec Myers, said the mon-ey would cover support for a number of U.S. agencies including the

Mr. Clinton flew to Iowa overnight from Hawaii, where be had been vacationing after the summit meeting of leading economic nations in Tokyo. The president said he would sub-

as repairing damaged transporta-tion systems, housing and floodmit the relief legislation to Congress on Wednesday, and he noted control works. that there was about \$1 billion in existing government funds available to assist the flood victims in addition to the money ing for. Congressional leaders, who have been summoned to a meeting at the

The bill will seek \$2,48 billion, he said, adding that the total will almost certainly rise as damage estimates go up.

Damage estimates from Illinois. Iowa, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin put the flood's cost so far at around \$3 billion, about \$2 billion for destruction of crops and \$1 billion in other property damage.

Mr. Clinton said the final legislation ought to be on his desk in a couple of weeks and the money released "almost immediately" afterward.

He minimized the impact of the collect drinking water. There was a disaster relief on the budget deficit. noting that estimates of the deficit had improved from earlier in the year because of lower interest rates and job growth.

Even before Mr. Clinton arrived, the governor of lowa, Terry Branstad, said he doubted that the re-

# Impact on Economy Likely to Be Minor

### By Louis Uchitelle New York Times Service

NEW YORK -For all the spectacular devastation of the Mississippi flood of 1993, the impact on the huge U.S. economy is likely to

be very small, many experts say.

While the flood has threatened to interrupt shipments of food, chemicals, cars and other products, nearly every obstacle has so far been overcome or bypassed.

When the floods washed away a railroad bridge across the Missis-sippi at East Hardin, Missouri, cutting the Santa Fe's main line from Chicago to southern California, trains were rerouted along another railroad's tracks to cross the river below Saint Louis. When the water covered the tracked used by the Monsanto Chemical Co. to ship herbicides from its plant in Muscatine, Iowa, the herbicide went by truck for two days, while new ties Powell Given Saudi Medal and track were laid on top of the old ones, bringing the rail line once

again above water. on the upper Mississippi and Illi- Staff, has been awarded the Saudi nois Rivers, the grain in them is mostly for export and not immediatchy needed, said Keith Collins, Saudi Press Agency reported on director of economic analysis at the Wednesday.

Agriculture Department. Elevators New Orleans, at the mouth of the Mississippi, currently hold enough grain to satisfy export orders, so the stuck barges are for the moment serving as warehouses for millions of tons of grain.

"There are all kinds of little disruptions and stress to the nation's economie system, and certainly Des Moines has a huge problem. said Robert Schnorbus, an economist at the Federal Reserve Bank of Chicago, whose specialty is the Midwest. "But nothing is shutting down in America beyond the actual flood area."

Federal officials are estimating damages at \$2 billion to \$3 billion, mostly in lost crops. That is far below the \$18 billion in devastation from the hurricane that struck Florida and Louisiana last year.

Reuters DUBAI, United Arab Emirates General Colin L. Powell, chair-And while 3,000 harges are stuck man of the U.S. Joint Chiefs of Medal of Excellence by King Fahd for his role in the Gulf War, the

# ARE YOU IN ON THE SECRET?

Conrad Hotels - Luxury Travel's Best Kept Secret. Conrad London England's only all-suite hold on the Thames at Chelsen Harbour.

ate, Bob Dole of Kansas, talked

with White House budget director.

Leon E. Panetta, and said he was

certainly willing to cooperate with

the president in pushing the aid

"This is the emergency of the year," said Senator Ted Stevens,

Rebublican of Alaska, a semor

member of the Senate Appropria-

Mindful of criticism that Presi-

dent George Bush was slow in de-

livering aid to hurricane victims

last year, the White House bas been

trying to show it is staying on top of

Mr. Clinton has declared 222

Midwest counties and the city of

St. Louis federal disaster areas,

making them eligible for grants,

low-interest loans and other federal

aid. The Agriculture Department

named 304 counties in flood states

eligible for emergency loans be-

package through Congress.

tions Committee.

this disaster.

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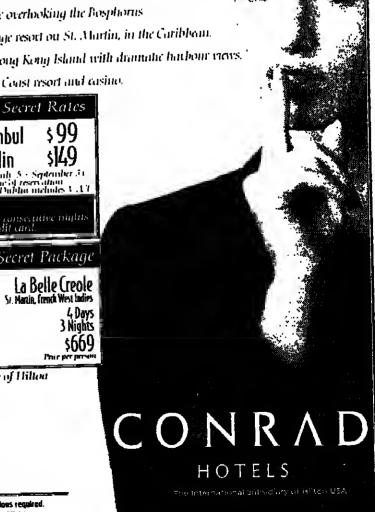
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# Off Course in Somalia

What started as a humanitarian United Nations mission to feed starving Somalis seems to be turning into something far less benign. The United Nations says 15 people were killed in Monday's raid by U.S. helicopter gunships and ground troops against the headquarters of Mohammed Farrah Aidid; the Red Cross counts 54 dead. The bodies of four journalists have also been recovered, ap-parently victims of mob retaliation. Whatever the final death count, enough is enough. Italy now rightly asks that offensive actions be suspended while the international community reassesses its goals. The Security Council needs to ask what purpose the UN military operation is serving, and whether it is worth the heavy price in lives and goodwill.

The original UN objective in Somalia was noble: providing food to millions of starving people isolated by civil war and anarchy. UN agencies and a too small contingent of Paki-stani peacekeepers proved unable to carry out that assignment, so Secretary-General Butros Butros Ghali appealed for outside help. George Bush responded, dispatching some 30,000 U.S. troops on a short-term mission to reopen the supply routes. The Americans quickly did that, and in less than five months handed command back to the United Nations, although some 4,000 U.S. soldiers remain, with additional reinforcements close by.

In a place as anarchic as Somalia, humanitarian and security objectives must go together. But it is a mistake to see security to purely military terms. The United States, as the world's strongest military power, can temporarily strike fear into local warlords, but not even American might could manage that for very long without getting bogged down to messy combat.

The United Nations has neither the military means nor the political will to fight a pro-longed war against entrenched warlords like General Aidid; and it should not be gunning down his supporters, however misplaced their loyalty. There is a better alternative. The United Nations can limit itself to securing relief operations and maintain a more scrupulous neutrality in Somalia's ongoing civil war.

It had started to follow that course, with some success, under the leadership of its former special representative, Mohammed Sahnoun. But Mr. Sahnoun made the mistake of publicly tangling with the UN bu-reaucracy and was abruptly removed from his joh last fall. Now the United Nations must get hack to basics. Somalia is a humani-tarian mission. The United Nations is a peace organization. It should not be gunning down Somalis from helicopters, no matter what warlord they support.

-THE NEW YORK TIMES.

# **Killed Doing Their Job**

It is in the nature of what they do that foreign correspondents tend make their work look easy. Nn matter how terrifying the situation, the job at hand is to impose order on events. Writers are supposed to produce clear prose. Television correspondents need to sound authoritative and in control. Photogra-phers, along with television camera and sound crews, may have the most dangerous jobs of all, since they must always be right where the action is, np close and in the line of fire. They

are not supposed to flinch or duck for cover. Because news from dangerous places has become such a commonplace, we often forget the courage it takes to find it until we are reminded by horrible events such as Monday's slayings of four journalists to Somalia.
The dead were Dan Eldon, a 22-year-old photographer for Reuters who held dual American and British citizenship; Hosea Maina, 38, also a Reuter photographer, and Anthony Macharia, a 22-year-old sound man for Reuters television service, both from Kenya; and

Hansi Krauss. 30, an Associated Press photographer from Germany.

Their deaths were not accidental. They, along with several other wounded correspon-dents, were victims of mob violence directed specifically at foreign journalists. Unarmed journalists became convenient targets for angry Somalis retaliating for attacks by UN troops on a command center of warlord Mohammed Farrah Aidid. "They are trying to bring a bit of light into some very dark corners [of] the world," said David Hannay, the British president of the United Nations Security Council,

"and it is a tragedy that they suffer from this."
War correspondents know the dangers they
court, yet it is hard to accept that one of those risks can involve death at the hands of the very people whose suffering they are trying to bring to the world's attention. We honor Messrs. Eldon, Maina, Macharia and Krauss for their commitment to reporting about the violence to Somalia that ultimately took their lives.

- THE WASHINGTON POST.

# It's Akin to Barbaric

Most Americans now know better than to use nasty generalizations about ethnie or religious groups. Disparaging stereotypes — the avaricious Jew, the sneaky Chinese, the dumb Irishman, the lazy black - are so unacceptable that it is a shock even to hear them mentioned. Thanks to current international politics, however, one form of ethnic bigotry retains an aura of respectability io the United States: prejudice against Arabs. Anyone who doubts this has only to listen to the lytics in a song from the

animated Disney extravaganza "Aladdin": Oh, I come from a land, From a faraway place, Where the caravan camels room. Where they cut off your ear If they don't like your face. It's barbaric, but hey, it's home. Understandably, Arab-Americans are upset. They find it difficult enough that Saddam Hussein is the villain du jour and that terrorists from Arab countries have recently threatened New York. The difficulties mount when policemen in Iran imprison women for showing their hair, or when mullahs issue death warrants against authors they consider blas-phemous. But the ayatollahs of Iran do not represent all Arabs, nor all Muslims - just as sleazy televangelists do not represent all Christians, or all Americans.

Bowing to pressure from the American-Arab Anti-Discrimination Committee, the Walt Disney Company has agreed to change two lines - the ones about cutting off ears to the home video version of the movie, which will come out to October. The line "It's barbaric, but hey, it's home" will remain.

That is progress, but still unacceptable. To characterize an entire region with this sort of tongue-in-cheek bigotry, especially in a movie aimed at children, borders on barbaric. - THE NEW YORK TIMES.

### Other Comment

### The 'New Boy' Fares Well

President Bill Clinton has gotten his sea legs in international diplomacy. He started as the "new boy on the block" at the economic summit meeting in Tokyo. But Mr. Clinton is a quick study, and be found that there is a lot of deference that goes with being the president of the United States.

He had three achievements during his Asia trip: the decision of the global treaty negotiators to reduce or climinate tariffs on 18 manufactured goods; Japan's concessions on talks leading to more open Japanese markets; and his summit partners' decision, influenced by his jawboning, to kick in \$3 billion in aid for Russia in its drive toward democracy and free-market reforms. In all three, Mr. Clinton emphasized the impact in terms of American jobs and jump-starting its sluggish economy.

Mr. Clinton repeatedly noted that for the

first time the leaders of the world's other rich nations should not not lecture America about its deficit, because be was trying "in put our house in order."

So the president got some triumphs under his belt; but he returns home to a host of problems. - Helen Thomas of UPI.

### Dealing With a Defiant Iraq

The UN Security Council's orders were clear and emphatic. Iraq, after its defeat in the Gulf War, was required to destroy its stocks of ballistic missiles and ehemical and biological

weapons, and its facilities to build nuclear weapons. The council also ordered a long-

term international monitoring program. The Iraqi regime has always resisted the monitoring plan. Resistance has now become defiance. Last week a UN team left Bashdad in frustration after seeking for more than a month to get Iraq to permit surveillance cameras to be set up at two former missile test sites. The Security Council had already warned of "serious consequences" if Iraq refused to allow the cameras.

If Iraq's government has learned anything in the last few years it should be that defiance of the United Nations is not cost-free. Earlier this year, Iraq threatened to interfere with UN inspection flights over the country. In response, a factory in Baghdad linked to the nuclear weapons program became the target for U.S. Tomahawk cruise missiles Jan. 17. And late last month an intelligence complex in the capital was attacked by U.S. missiles, in response to evidence of official Iraqi involvement in a plot to kill former President George Bush.

Washington's view is that no new Security Council authorization is needed for any further military strikes. Certainly, though, Mr. Clinton should work hard to enlist other countries in any new military mission, reminding his colleagues that the confrontation is not just between the United States and Iraq, as Baghdad would have it, but Iraq and the United Nations. That's "Nations," plural, a point the president should take care to empha-

- Los Angeles Times.



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# Will No Leader Rise to Meet the Balkan Challenge?

By William Pfaff

VIENNA — The Yugoslav novel-ist Miroslav Karaulac has said of the people of Bosnia that they "acquired the fatal habit of living together, a quality which the various armies now lighting one another are, by means of a bloodbath, attempting to correct." The correction is nearly complete, extermination near for the idea of a liberal politics in Yugoslavia, and for those who believed to it.

The collective presidency of "Mus-lim" Bosnia — consisting of three Serbs, three Croars and four Muslims now is divided between the realism of despair and capitulation, and that desperate optimism that can be sought in history — "a continuing story of the unexpected," as the Bosnian pres-ident, Alija Izetbegovic, has said to

By Kenneth Lieberthal

ANN ARBOR, Michigan — The United States

A should stop punishing China for the massage of demonstrators in Beijing in 1989. China is too impor-

tant to make this the pivot of American policy.

China, a nuclear power with intercontinental ballis-

tic missiles and a permanent member's seat on the

United Nations Security Council, has enormous capacity to do mischief on the world stage.

Besides, it has 22 percent of the world's population and perhaps the world's third largest and most rapidly

expanding economy. Unlike Japan and the Asian "ingers" — South Korea, Taiwan, Hong Kong, Singapore—it has an entire continent to develop, and this will

provide major opportunities for foreign business.

America alone among the iodustrial countries still imposes sanctions because of the massacre.

In May, President Bill Clinton slightly modified the

policy, achieving bipartisan support in Congress to

tions this year. He tied renewal of that status next year

to Chinese progress on specific human rights and trade issues. He suggested that he is seeking additional channels to resolve issues such as allegations of prolif-

Mr. Clinton's incremental steps are welcome, but the

war. Cimion's incremental steps are welcome, but the approach needs a new foundation, not minor tinkering. Washington should stop viewing everything in terms of rewarding and punishing China and try instead to maximize overall effectiveness in dealing with Beijing. The president ought to take the following steps:

 Declare that America has a national interest in a China that is reform-minded, stable and modernizing

and that plays a constructive international role. This

could shift the relationship from constant niggling to a

focus on broad mutual strategic interests.

Renew regular cabinet-level contacts, U.S. refusal

since the June 1989 crackdown to deal regularly with Beijing at the cabinet level imposes a very high cost on

relations. No Clinton cabinet secretary has visited

China in the past two years in any capacity, but China

has changed enormously in that time.

WASHINGTON — Consider it the Washington lawyer's ver-sion of the "Indecent Proposal" that

Robert Redford made on-screen to Demi Moore: If Moammar Gadhafi

offered you half a million dollars to represent the Libyan government in the case of the bombing of Pan Am

Make it more interesting: Would

you represent Colonel Gadhafi even if

you had once worked as the State

Department's top lawyer, developing the legal justification in 1986 for eco-

nomic sanctions against Libya and for the U.S. air raid on Tripoli that ex-perts believe the Libyans sought to

wenge with the Pan Am massacre?
Would you do it even if ungenerous

souls would inevitably suspect that the

Libyans wanted to hire you precisely

because of your high profile on and intimate knowledge of their troubles

with the Reagan and Bush administra-

tions, at a moment when the Clinton

administration wants to turn the

Screws more tightly on Libya?
You would if you were Abraham
Sofaer, former legal adviser to Secretaries of State George Shultz and
James Baker. As of July 1, he has

taken on a job that astonishes and

pains many who have long admired

him as a staunch conservative to U.S.

politics and a strong supporter of Isra-

el. He has agreed to represent Libya in the Pan Am 103 case for a fee that he

The attack on Pan Am 103 in De-

cember 1988 cost the lives of 259 pas-

sengers and crew members, most of

them Americans. Two Libyan intelli-

gence agents were indicted by a U.S. grand jury in November 1991 for

mounting the attack. But Colonel Gadhafi has refused the demands of

the United States and the United Na-

tions that the two alleged terrorists be handed over for trial in the United

Bill Clinton promised the families

of the victims last fall to pursue and

declines to disclose.

States or in Britain.

103, would you do it?

eration of Chinese missile and nuclear technology.

the press, even while acknowledging that there is no "rational" hope now for his government and people.

Both have been betrayed by Western Europe and the United States, not so much in cynicism as by stupidity and political cowardice. The ques-tion that remains for the Western governments to answer is whether

anything has been learned. Secretary of State Warren Christopher's characterization of Bosnia as "a long ways from home, in the mid-dle of another continent," like Foreign Secretary Donglas Hurd's re-

China Is Too Important to Be Ignored

ground" — against their aggressors, suggests that the answer is "no." Both comments demonstrated a refusal to acknowledge, possibly even to understand, that this affair has not been an isolated episode which will have no consequences elsewhere. Yet if Mr. Christopher and the Clinton administration do not understand that, why is the United States deploy-ing 300 soldiers to Macedonia's borders with Serbia and Albania?

Is this one more decision made solely to deter critics and deflect the attention of the press, to be reversed as soon mark about the undesirability of permitting the victims in Balkan wars an equal chance — a "level killing enough even to observe events on

vibrant and open than they had expected. But virtually no top Chinese leader has heard the views of his U.S.

counterpart argued forcefully and directly.

Renew direct military-to-military contacts. China's military is extremely important polinically, especially in view of the impending succession. Its officers deeply resent the American refusal since Tiananmen to deal

directly with them. Washington discusses nonprolifera-

tion matters with the Foreign Ministry, but the military appears to delight in demonstrating that the ministry

does not speak with authority on such issues.

• Establish a bilateral human rights commission to discuss broad issues and specific cases of rights violations regularly. Nothing will quickly change China's grossly inadequate record on civil liberties, as further exidenced by the street of Fig. Spengian an outstocker.

evidenced by the arrest of Fu Shenqi, an outspoken Shanghai dissident, on June 26. But this commission

would keep the issue on the agenda. There is evidence

Beijing would agree to formation of such a commission.

na in the United States-Asia Environmental Partner-

ship, led by the Agency for International Develop-

ment. China's huge size, rapid economic growth and

coal-based energy structure will make it a prime source of increased global environmental damage during the

coming decade. The world cannot deal realistically

with environmental issues in Asia without cooperating

international efforts to ensure peace, control prolifera-

tion of weapons and deal with environmental change.

Beijing's actions are especially important for East and Southeast Asia. Instability in China would more likely

iocrease the flows of refugees than usher in democracy.

America should be tough and effective with Beijing in the 1990s. It can do both only hy putting the

The writer is professor of political science at the University of Michigan and a member of the university's Center for Chinese Studies. He contributed this com-

be quickly provided George Shultz with a legal justification for the April 1986 U.S. air raid that almost killed

Colonel Gadhafi. The raid was mount-

ed to punish Libya Ior bombing a West Berlin discotheque frequented

information that be had met Mr. Dibri

in Geneva recently to discuss the con-tract. He acknowledged knowing Mr. Dibri's identity as Colonel Gadhafi's national security chief and head of the

Lihyan government's Committee to

dispute is to make sure that the two

agents do not undergo interrogation that would lead to their conviction in a

U.S. court or to the naming of higher-ups involved in the bombing, accord-

ups involved in the bombing, according to one American who has talked to Mr. Dibri about working for Libya.

Mr. Sofaer suggested, without being precise, that he may be able to get Colonel Gadhafi to change his spots at

last: "I will not compromise my values and beliefs. It is significant that Libya

has retained someone who has always

been against terrorism and is still

strongly against terrorism, and who

continues to support Israel strongly."

I know people who have sper

professional lifetime waiting for Colo-

nel Gadhafi to change his spots. And I know people to the Middle East who

will see the hiring of Mr. Sofaer as a sign that Colonel Gadhafi is more

secure and influential, not more likely

to change. Mr. Sofaer's appointment,

announced in a press release Monday night after I told him I was working on

this column, will dishearten the anti-Gadhafi resistance movement outside

Mr. Sofaer has no qualms about

commingling his previous existence as

Libya-accuser with his current role as

Libya-edviser. Demi Moore at least

anguished over the proposal made to

The Washington Post.

Libya, I am reliably told.

her before accepting it.

Mr. Dibri's idea of resolving the

Resolve the Pan Am 103 Dispute.

Mr. Sofaer refused to confirm my

by American soldiers.

In short China can vastly complicate or simplify

with China in this arena.

Tiananmen fixation behind it.

ment to The New York Times.

A Foe of Gadhafi Takes Up His Case

By Jim Hoagland

punish Colonel Gadhafi more vigor-ously. The Libyans seem worned. They have mounted an intensive cam-

paign in recent months to hire Washington lobbyists and lawyers.

Several attorneys were offered \$500,000 retainers. They refused after talking to Yussef Dibri, the shadowy

head of Libya's National Security Ser

vice, which Western intelligence agen-cies have implicated in terrorist acts.

Mr. Dibri is also the point man in

Colonel Gadhafi's effort to mend rela-

fn a telephone conversation, Mr. Sofaer confirmed that he had taken

the job. He declined three times to

discuss my information that the Liby-

ans were offering half a million up front for a prestigious U.S. lawyer, saying only that his New York-based

law firm, Hughes, Hubbard & Reed.

would "charge for its services to our normal way." He added: "It will be

well within the range charged by ma-jor law firms. This is not pro bono." He preemptively dismissed the pos-sibility that the Libyans were hiring

him as a way to gain influence, or the impression of influence, in Washing-

ton. This is strictly for legal services.

for arranging a consensual resolution of the Pan Am 103 case, in regard to

the case brought by the government or civil suits by families. If we are able to

do that, we will have accomplished

The former State Department legal

adviser failed to see any irony in going

on the payroll of a government that he had worked hard to undermine. To be

able to work for the Libyans, Mr.

Sofaer had to get a special license from

the Treasury Department's Office of Foreign Assets Control exempting

him from the trade embargo that he

had played a key role in crafting for President Ronald Reagan in 1986.

That was about the same time that

something worthwhile."

tions with the United States.

countries is a permanent source of tension and tovitation to war, First the situation and security of those minorities must be addressed, so as to deal with their legitimate anxieties about their own safety and cultural integrity, while addressing the equally legitimate fears of the governments under which they live that these minorities represent a potential threat to their sovereignty and

territorial integrity.

We have the mechanisms to do this, if we will use them. The Conference on Security and Cooperation in Enrope exists to order to protect human rights, and it produced extraordinary results during the years of communism's decline and collapse. The states of the region are CSCE "members (as are the United States that Canada) and have accepted CSCE ob-ligations, which involve international

tion in contested rights cases.

At the same time we can establish a

But we have to act. We have today the possibility of an energetic twotrack program — diplomatic and military — to halt new ethnic war in the Belkans. Can't some government, somewhere in the West, take the initistive? What about the Netherlands, or Sweden, or Italy, if France or Brit-ain won't act? Why not France? There is a new and intelligent government in Paris that owes nothing to the appeasement policies of its So-cialist predecessor.

Will no leader take action to spare modern Europe still another tragedy? International Herald Tribune C Los Angeles Times Syndicate.

those borders in any systematic way. They are not themselves a deterrent to those borders' violation, nor does any deterrent exist. Washington and the European capitals explicitly have made it their policy not to intervene in Yugoslavia — who can reasonably ex-

pect them to change that policy now?

Nonetheless, one or more of the
Western governments might have learned from this terrible experience. and could change. Here we arrive at what can be done now, if anyone has the prescience and courage to act. It still is possible to stop the spread of ethnic and national war to the Bal-kans and in South Central Europe, where the existence of Albanian Hungarian, Greek and Turkish national minorities in neighboring

observation and guarantees.

The Council of Europe exists to assure "the principles of the rule of law and of the enjoyment by all urisdiction of human rights and fundamental freedoms." Since the Yugoslav crisis hegan there has been an attempt by several European states to provide a new institution of juridical guarantees and adjudica-

military barrier to further acts of ag-gression. This is eminently within NATO's capability. The need is urgent to redefine NATO's mission so as to deal with the threat to European security that exists right now. If not, we will lose NATO - otherwise an irrelevant survivor of a Cold War now finished — at a moment when European security is more seriously eopardized than at any time since the 1950s. I have written before in this column (as I have in the current issue of Foreign Affairs quarterly) about the need for a NATO guarantee of existing European frontiers against non-negotiated change.

What about Washington? If it will not lead, at least it would support a European initiative. Washington says the responsibility is European, and it is right, although it may prove small comfort to have been right.

# **Imbalance** Awaiting Correction

By Gregory Clark

T OKYO — Asking Japan to rein to its ballooning trade surpluses is like asking the sun to stop rising. The surpluses are huilt in, for a variety of reasons.

One is superior productivity. Past Japanese protectionism combines with a post-feudal work ethic (not unlike what once existed to the North European societies) and heavy reinvestment of profits to give Japan an unheatable lead to most manufacturing industries.

Collectivist instincts — the firm must survive — are a further bonus. Where the United States has three major car makers, Japan, with a much smaller market, has five majurs and almost as many minors. The European Community and the United States together have only five or six major electrical and electronic goods makers. Japan is saturated — 10 majors and even more minors.

This "overcompetition," or kato kyoso, as it is called in Japan, leads to the relentless push to expand over-seas, matched by equally ruthless ac-tion against rivals, Japanese or for-

eign, entering domestie markets.

The high savings level — a result of relatively low class-consciousness in a society where the workplace is the main basis for identity—is a further factor. It has the triple effect of reducing imports, increasing export pressure and providing cheap funds

to Japanese industry.
Superimposed on all this is the inefficient tax, bureaucratic and finan-cial system, which prevents the mohitizing of high savings and trade surpluses for badly needed public works — which would stimulate do-mestic demand and increase imports.

Far down on the list comes the perpetual Western, and now Clinton, complaint that Japan's markets are

A 20 percent yen appreciation to, say, 80 to the dollar would solve a lot of problems.

closed. Sometimes they are closed and sometimes they are remarkably open. Japanese women make it quite clear that they prefer Western fash-ion goods. Men have an equally fad-dish preference for Scotch whisky. U.S. golf clubs and Canadian log houses. Some of the barriers that do exist could be overcome if Westerners tried harder to master the language and culture. By one calcula-tion, if all Japanese markets were "open, Japan's trade surplus would drop by 10 percent. If all Western markets were open, Japan's trade sur-

-plus would-increase by 15 percent. That said, Japan's surpluses do create an iotolerable burden for the West. Happy talk about Japan recyes. or using it to fill the gap in Western savings levels, is meaning-less. So is the attempt to blame the cumulative U.S. fiscal deficit. (Ja- ' -

pan's is larger.) Japanese arguments that the West should not worry because hundreds of thousands of Westerners are em-ployed distributing and selling Japanese products are worse than meaningless. The trade surpluses must be reduced, and quickly. One way is for Japan 10 be forced to produce : ahroad the goods that it now so readily seeks to export. But that will take time. What is needed now is a

massive appreciation of the yen. The Japanese argue that in terms . of purchasing parity the yen is al-ready overvalued. They are partly right. Present exchange rates may make housing, hamhurgers and haircuts to Japan much more expensive . than in the rest of the world.

But that is Japan's fault. Cultural and historical factors have lung . combined to create the gap between high productivity in manufacturing and ahysmal productivity in the service, food and construction sectors. Toyota makes cars in Japan with almost twice U.S. productivity, but sells and rents cars in Japan with less

than half U.S. productivity. For decades, Japan has been happy to enjoy the protectionist fruits of this imbalance. Now it should be forced to endure the pain. A 20 percent appreciation for the yen to, say, 80 to the dollar would solve a lot of ! problems. Japanese manufacturing would suffer greatly. Some firms might even have to face the collectivist unthinkable — go bankrupt or amalgamate. But if that is a price that Japan has to pay, so be it. The Western economies have suffered enough. .. International Herald Tribune.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1893: French Disavowal PARIS - "Our vessels have forced,

in spite of our orders, the bar of Menam." Such is the declaration of the French Government concerning the advance of the sunboats Inconstant and Comète, which slipped over the bar at the mouth of the river on July 13 and exchanged shots with the Siamese. The Government is seeking to diminish this incident's importance by throwing the responsibility upon the commanders of the vessels. The disavowal has caused a sensation in French naval circles, in which it is received with incredulity, for Admiral Humman, who is in command of the naval forces in Siamese waters, is notoriously a rigid disciplinarian.

### 1918: Allies on Parade

PARIS - Yesterday was one of the most glorious days in the history of France. On this Fourteenth of July, France's Independence Day, the army of the civilized world, which is fighting

claimed by hundreds of thousands of people as it marched through the streets. The day began with a review by President Poincare and M. Clemencean of the troops of every Allied country, and scenes of indescribable enthusiasm marked the triumphant march-past to the strains of the National Anthems of each nation. In the men it cheered. Paris saw the coming of the victory they are fighting for.

the great battle for Liberty, was ac-

### 1943: Dark French Skies LONDON - [From our New York :

edition: | Flying Fortresses and ! swarms of lesser American and British planes darkened the French skies today [July 14] with bombing attacks ! on an aircraft factory and park at Le : Bourget Airport near Paris and four other German installations. They shot down 51 German planes, 45 of : which fell to Fortress guns over Le Bourget and Villacoublay, also near Paris, where aircraft repair and as- t sembly plants were pounded.

صكنامن الأصل

# OPINION

# When the Economy Holds **More Threat Than Promise**

By E. J. Dionne Jr.

WASHINGTON — The Tokyo economic summit amounted to a group visit to the political intensive care unit. Among the leaders of the world's richest democracies, President Bill Clinton was by far the most popular, a comment not on the love he has aroused among the American people but on the terrible mess politicians find themselves

in throughout the industrial world. The easiest explanation for the troubles facing the world's politicians is that we just don't make leaders like we used to. Maybe that is how historians will look at the matter, but it is generally bad policy to judge contemporary leaders by the standards of past giants. For most of his time as president, Harry Truman, so lionized today, was seen as a burn. Who knows how Bill Clinton or his new friends from Tokyo will look in 40 years?

A more plausible explanation for the troubles of incumbents focuses on the end of the Cold War. Like it or not, the cratic politicians with a heroic purpose;

### Bargains between people Fand their communities, firms and governments have been shattered.

backs and statesmen alike had a chance of standing on the right side of history and opposing the Soviet monolith. There is something to this, but most of the time, politicians rise and fall on the basis of how the folks at home feel.

The real problem these politicians face is that local and national politics have now become irretrievably global because their economies are locked into the global system. Every politician, and that includes Bill Clinton, has less and less control over his or her domestic economy. That is because the people who run companies and invest money have an expanding array of choices about where to move their plants and their dollars, Deutsche marks and yen.

ft is thus harder than ever for national politicians to broker deals inside their borders to spread the wealth around through social insurance programs, national wage policies or guaranteed bene-fits like vacations, health care and parental leave, ff a country is ton generous to its work force, it can become less "competitive" and its plants and jobs will go elsewhere. The nightmare for politicians is that they are held responsible for their national economics but have fewer ways of affecting the economy's direction. Responsibility without power can be as corrupting as power

The global economy is not without its virtues and, as the product of techno-

logical revolutions, cannot simply be abolished. But for very large numbers of people, the global economy is more menace than promise for the foreseeable future. The new economy shatters the social and personal bargains that people thought they had with their companies, their communities, their governments.

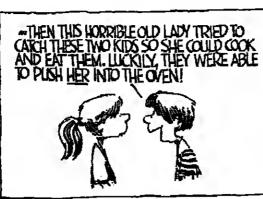
This sense of betrayal came through clearly in a useful study of Ross Perot's voters released by the Democratic Leadership Council while Mr. Clinton was doing his star turn in Tokyo. The study, conducted by Stanley Greenberg, Mr. Clinton's poll-taker, found that Perot supporters were not, as is commonly assumed, mainly worried about the deficit. They were concerned most of all about the overall state of the economy and its failure to reward "the middle class" and "people who work hard for a living." They trust neither big business nor big government. They assume that politicians must be corrupt and govern-ment incompetent, given the precarious

circumstances of so many.
Al From and Will Marshall, the Demoratic Leadership Council's majordo-mos, used the study to argue for their group's agenda, including a less expen-sive, less bureaucratic government and the imperative that Mr. Clinton empha-size "mainstream values" such as "work," family and individual responsibility. These are perfectly sensible conclusions but the perceptions of governmental failure and moral crisis that Mr. From and Mr. Marshall want Mr. Clinton to address are inextricably tied to the dis-

ruptions created by the global economy. Two questions are paramount: Since no one government can succeed in sourring world growth, how can govern-ments coordinate their efforts to that end? And how can governments cooperate to contain the disruptions created by the global economy so that the many who now fear that their standards of living will decline regain a measure of economic security and the wherewithal to find their fonting under the new economic rules?

Supporters of a purely free-market approach recoil at these questions, preferring to see the market gain the upper hand on governments. This view is ultimately shortsighted. It's easy in the abstract to hail capitalism's capacity for "creative destruction." But those whose standards of living get "creatively de-stroyed" will not sit by patiently while governments do nothing. In the worst of circumstances, they will lose faith in both democracy and market economics. Better that democratic governments figure out how to tame the global economy in the interest of saving it and creating popular support for an open and expan-sive world trading system. The Tokyo summit was only a small step in this direction, but it was a start.

The Washington Post.







AND THERE WAS ANOTHER ONE WHERE THIS TERROO KEPT MARRAING THESE GIRLS. JULING THEM AND STASHING THEIR BODIES

### LETTERS TO THE EDITOR

# To Bring Semites Together

Regarding "The Semitic Potential" (Letters, July 14) by Paul Kollek: l agree with Mr. Kollek that his vision of a true partnership of all the Semitic peoples of the world is Utopian.

But by coincidence I read his remarks while attending the colloquium of the international Council of Christians and Jews in Haifa, Israel. This had as its theme, "Sharing the Blessing of Abra-ham in the Hoty Land Today."

The colloquium was attended by Jews, Christians and Muslims from many lands, including Lebanon. It was a great success, and a ray of light in an area where the emphasis is so often on

hatred, rivalry and war. I bope that people of all faiths will join Mr. Kollek in his prayers for bringing together all Semltic peoples.

SIR SIGMUND STERNBERG. International Council of Christians and Jews.

### **Timidity Is Not Prudence**

It is clear that the guiding principle in Europe today is the short-term political survival of small-minded governments possessed of little courage. Bosnia, it is true, was always a doubtful proposition as a country. But if Munich taught nothing also its rould have taught that passes ing else, it should have taught that pas-sivity in the face of evil quickly creates the need for painful activity in the face of greater evil; that in Europe local conflicts have extended consequences. We have learned nothing. What is

being created in Bosnia, and would less embarrassingly have been created under the Vance-Owen plan, is a ritualized regional instability. The original tensions in the region run so deep and are figure of 90 percent is insane. so complex and intractable that Germany's headlong recognition of Bosnia was certain to fan the embers of conflict. The cynical hope that this would burn itself out quickly, and with a minimum of embarrassment, has been in vain. Instead, now, overlaid on historical antagonisms, are new borrors to fuel the con-

flicts of future generations. An American administration, obsessed with polls rather than principles, led by a president ambiguous about military service, has signaled its intention to withdraw from the leadership responsibilities which his nation's position requires. If it is true that governments are not what happens, that they are the result of what happens in their societies - then in that truth lies the deepest

worry about America today. Timid statesmanship is not prudent statesmanship; it is bad policy and, in the long term, bad politics, too.

JOHN W. WOOD.

### The Truth About the Bekaa

Regarding "Clinton Owes America the Truth about Syria" (Opinion, June 16): A. M. Rosenthal's claim that 90 percent of Lebanon's Bekaa Valley is given over to drug cultivation, based on the report of a U.S. House subcommittee, is the kind of journalism that makes the Middle East such a mystery for Westerners. I spent two weeks in Lebanon in

April looking for drugs in the Bekaa Valley, as part of research for an opcoming book, and was never able to find any. Surely drugs are grown there, but the

MICHAEL BOND. Fontainebleau, France.

Drugs have been cultivated in the Bekaa Valley for generations, as any traveler can easily see. I remember the local parliamentary deputy proudly claiming ownership of a vast poppy field when taking a visiting foreign dignitary on a tour of his considerable boldings.

This was in the early 60s, long before Syrian troops were stationed in the Be-

kas Valley. The Lebanese government did not then appear to be greatly per-

turbed by the lucrative drug industry.

From a report carried by a Saudi daily newspaper I gather that Syrian and Leb anese forces again raided drug growers' fields last month. Does Mr. Rosenthal not find cause to claim credit?

OTTO SCHNITTGER. St. Augustin, Germany.

### Tit for Tat in the Baltics Regarding "Estonia Suspends Anti-Russian Law" (June 28):

f found this front-page dispatch most surprising in that it failed to mention why Estonia's anti-Russian law was suspended - Russia had cut off Estonia's gas supplies. It looks like Russia has a good bit of control over its past subjects. and that is worth noting.

PETER B. MARTIN. Monteuq, France.

and the state of t

# For Green Revolutionaries, A Latin American Triumph

By Richard Critchfield

L BATAN, Mexico — Human ingenity keeps disproving doomsayers.

Thomas Malthus's 1798 "Essay on the Principle of Population" changed history, not because of its message that population, avoid outside the principle of the princip lation would outstrip food supplies. Rather, it revolutionized burnan behavfor by making contraception acceptable, so that we got sex without consequences.

But books like Paul Ehrlich's "Population Bomb" in 1968 and the Club of Rome's 1972 study "The Limits of Growth" keep Maltbusianism alive. Lester Brown of Washington's World-

### MEANWHILE

watch Institute keeps dusting off his old idea that the world's farmers have already pushed the limits on land, seeds.

irrigation and chemical inputs.
The Green Revolution, we keep hearing, is losing momentum. And sometimes it looks that way, with drought in Africa and Europe, famine in Somalia, one crisis after another in India, 17 or 18 civil wars in Africa. Last year grain output fell by about 60 percent in Zambia, Malawi and Zimbabwe, Farming failed in parts of the former Soviet Union.

So are we running out of food? World production did not increase at all in

1992. Yet the prospect in the coming decade is not of famine but of glut.

The biggest breakthrough on the horizon is coming on Latin America's vast cerrado, the seemingly endless grassy plains centered in Brazil. The cerrado covers more than 200 million bectares (500 million acres) — more than all the cultivated land that feeds India's more than 800 million people. Until 20 years ago, this savannah had such acid soils it was considered worthless for farming.

Lime could be applied, but if a week or 10 days went by without rain, roots died and plants collapsed. Only in the last few years have scientists been able to breed new varieties of corn, wheat and soybeans, highly tolerant to aluminum in acid soils, along with minimum tillage techniques and drought-resistant crops.

Suddenly, 12 million bectares of certain are producing a fourth of Brazil's

rado are producing a fourth of Brazil's rice, corn and soybeans, a fifth of its coffee, and 15 percent of its beans.

This is just the beginning. Scientists at CIMMYT, the internationally funded agricultural research center bere, say that, depending on world prices, the availability of fertilizer and food demand, plus investment in irrigation, the сеттаdo could easily feed Brazil's 152 million people.

More important, say environmentalists, farming the cerrado probably means saving the Amazon basin and what is left of its tropical rain forests. The link between productive agricul-

ture and saving the environment is not always easily understood. Ever since Rachel Carson's "Silent Spring," scientific

alteady taken part.

colleges all ovet the world.

the address opposite.

average farmer in Africa uses just 4 kilos at per hectare; that compares to 433 kilos in 377 Germany, 358 in Britain, 260 in China 21

and 93 in the United States.

Meanwhile, breakthroughs in scientific farming are coming in China; India or recently invented hybrid cotton; and public histories and Indian scientists are in the scientists are in the scientists are in the scientists. racing to come up with bybrid wheat.

But the cerrado's potential dwarfs up even these advances. "It could be the up breadbasket of all South America, "says

Sanjaya Rajaram, a CIMMYT wheat of scientist, "with wheat as a main crop." ]" The best analogy is probably the rapid dissettling of America's Great Plains, once John Deere's steel plow and County of the Plains, once Cormick's reaper were invented in the ?? 1830s. The comparable breakthrough in \$2.00. the cerrado's case is not just machinery of but new techniques of disease-resistant in

breeding chemical soil treatment, use of JR organic matter and no-till farming. The impact, when it comes to saving : the environment, could be the same. In =1 America, land was saved for recreation, 36 wildlife habitat and forestry because sci-ur ence made farming so productive. For the example, in 1940 the United States pro-induced 252 million tons of the 17 most important food, feed and fiber crops. By

1980, on only 3 percent more land, it produced 610 million tons. Machinery and modern chemistry and biology have made this possible. If Americans had been forced to produce ... the 1980 barvest with 1940 farm technology, it would have required 177 million ,:

more hectares of equal quality land.

Take another example. The United

States of 1776 was entirely wooded. A States of 1770 was churrer squared on a treetop in in Maine and crossed to the Gulf Coast, tree to tree, without touching ground. This land, the most fertile in the country, was cleared and farmed. But without the " steady application of science, the destruction of American forests, grasslands and grazing lands to feed the nation's people vould have been enormous.

It looks like this story will be repeated ... in South America, Dr. Rajaram, regarded by many as the world's top wheat scientist, says that "if Brazil fully develops the ". cerrado it won't have to touch the Ama-International Herald Tribune.

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20,000 primary teachers in Madagascat have 75

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the world still has an awful lot to learn about T

lets, posters and videos in over twenty different

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### **GENERAL NEWS**

# Swiss Seize Italian Fugitive in Scandals

GENEVA - Giuseppe Garofano, a former chairman of the Montedison chemicals group and a key figure sought in Italy's investigation into nationwide corruption, has been arrested in Switzerland and may be extradited, officials said bere Wednesday.

A magistrate. Pierre Marquis, said Mr. Garo-fano, who was also a top executive at Ferruzzi Finanzaria SpA, which holds a controlling stake in the Montedison food and chemicals

group, was apprehended in Geneva.

"He was arrested last night," Mr. Marquis said in response to a telephone inquiry, adding that be did not know the exact charges. "We are waiting for the Swiss police's federal arrest warrant," he said.

The Italian authorities, who issued an arrest warrant for Mr. Garofano in February, bave requested his extradition. Mr. Marquis said.

However, be added that the prosecutor's office would have to talk first with Mr. Garofano and his lawyers before deciding whether to comply. Mr. Garofano was chairman of Mantedison until he resigned in January to become a con-sultant for the group. He is wanted by Italians

in connection with a donation of 250 million lire (\$158,000) to the Christian Democrats, the largest party in the four-party governing coali-

Milan magistrates allege be used company funds to make the payment. Mr. Garofano admits be gave money to the Christian Democrats, but he insists that it was a payment from

If Montedison funds were used for the payments, magistrates would have grounds to start an investigation into false accounting.

Mr. Garofano, 48, has been a fugitive since February. Italian dailies said last week that he was secretly negotiating to return to Italy. Montedison, which is in a crisis over the Ferruzzi group's 31 trillion lire debts, is waiting for five Italian banks and two foreign banks to

assemble a restructuring plan,
A total of 151 members of the Italian parliament - 15.7 percent of the total - have been warned that they are under investigation in the corruption scandal, ANSA, the news agency,

In an update on people implicated in the

ever-growing scandal, the agency said 38 were members of the 315-seat Senate and 113 were in the 630-seat Chamber of Deputies.

Accusations against them include contacts with the Malia, fraud, abuse of nifice, corruption, electoral violations and illegal financing of political parties.

Broken down by parties, the top of the list reads: Christian Democrats, 74; Socialists, 49; Social Democrats, 9; Democratic Party of the

Left, 5, and Liberals, 4. The rest come from a wide spread of smaller parties, with one from the separatist Northern League. The list includes four former prime

About 600 businessmen and other leading nonpolitical figures are also under investiga-

Marin Raffaelli, an Italian official heading European peace efforts in the Nagorno-Kara-bakh conflict in Azerbaijan has been placed under investigation in the scandal, according to

He is a Socialist member of parliament.
(AFP, Reuters, AP)

WWF World Wide Fund For Nature (formerly World Wildlife Fund) nal Secretariat, 1196 Cland, Swit

Outside the industrialised west, no-one has to be told to respect their elders. It's simply the way society is organised.

Which is why WWF - World Wide Fund for Nature tries to work with older people in the villages of the rainfotests. With WWF's help, they leatn to teach the younger members of their

communities about conservation. In Kafue Flats, Zambia, it's Chief Hamusonde (93). Chief Bakary (78), is our man in Anjavimi-

This isn't just expediency, it's how WWF believes conservation projects should be run.

Before you teach someone, we believe you have to learn from them.

after village, talking to the people, listening to them, living with them, understanding how they live their lives.

Once they realise we're on

of our Thai community leaders, tells us that he frequently gets scolded when he starts telling people in the market that they should leave the forests alone.

Uncle Prom and his fellow villagets recently managed to prevent a new logging concession, and set up a community forest where tree felling is now forbidden.

in catching them while they're young.

courses to help teachers incotporate conservation into the cutriculum.

HE'S JUST ABOUT OLD ENOUGH

# New Bloc Defended By Walesa

WARSAW - President Lech Walesa defended his new "nonpar-ty" bloc Wednesday as the best way to keep former Communists

from coming to power in the com-ing legislative elections. Mr. Walesa, speaking at a news conference, expressed annovance at negative press coverage of his speech on state television Tuesday night, in which he asked Poles to support his new "Nonparty Bloc for Reforms.

Newspapers said on Wednesday that Mr. Walesa was using his office to promote a new political party. But the president said that if he stood apari from politics, Poland would be headed for disaster in the

Sept. 19 elections.

Today if we had elections without my involvement, f know who could win - Kwasniewski with Miller as No. I," said Mr. Walesa, referring to leaders of the Social Democracy of the Republic of Poland, the former Communist party.
He predicted that the United

Peasants' Party, which was once allied with the Communists, would

finish second, followed by the pro-

change Democratic Union and the

center-right Confederation for an Independent Poland. Forming a government with those results would be almost impossible, Mr. Walesa said.

### **EUROPEAN TOPICS**

# In Europe, They're Working Hard

Over the Issue of a Day of Rest Battle lines are being drawn over Sunday store

openings in at least three European countries.

In France, the Virgin Megastore, which is a big and bighly profitable music retailer on the Champs-Elysées in Paris, has been waging a guerrilla war against a law that bans most Sunday work not authorized by the local prefect. When a new prefect recently refused to renew Virgin's one-year special exemption, the store defiantly remained open from Saturday morning in midnight Sunday, serving free coffee and croissants to early morning

Small-shop owners in the Marais district have been fighting their own battle. After receiving bundreds of Sunday citations, some have tried bold ruses: When labor inspectors come by, vendors claim to be related to the shop owner, which allows them to work; or shoe sellers pose as clients and suddenly start trying on shoes.

Two British groups may join forces in a bid to defeat the liberalization of Sunday laws. The Keep Sunday Special association, which has considerable support in the House of Commons, and Retailers for Shops Act Reform, which includes the big Marks & Spencer chain, want only small shops

and garden centers to open Sundays.

And in Bavaria, Catholic groups are opposing a Sunday-opening movement; they say such a change would break with 3,000 years of Judeo-Christian tradition.

Around Europe

The number of American tourists visiting Europe is expected to be up this year by 500,000, to 7.5 million, says the European Travel Commission. Largely because of the relative strength of the dollar, American visitors will pay 35 percent less in Italian restautants this year than last; and hotel accommodations in Britain will cost 25 percent

Finland hopes a rise in tourism can help improve a steadily darkening economic scene. Finnish ex-ports to the Soviet Union once accounted for 27 percent of the total; but sales to the Soviet successor republics are dismally low, accounting for only 3 percent. Unemployment is now at 20 percent; housing prices are tumbling; stores are going out of business. Fewer and fewer Finns, reports Die Zeit of Hamburg, can afford foreign travel, a new car, or a restaurant visit. "The situation is not just dark," says a Labor Ministry official, "It is pitch black." But Finns seem to be keeping their cool. There is no talk of social breakdown in the Finnish welfare state, says Matti Klemola, editor of Helsingin Sanomat. And the country's suicide rate, traditionally high, has not gone up.

Long taboo in Norway, TV commercials are becoming as unavoidable as the country's coastal rainfall. After years of debate, the government in 1990 licensed Norway's first no-pay commercial channel, TV2. Part of the aim was to help domestic manufacturers maintain an edge against foreignproduct advertisers, whose messages, beamed in by satellite, were increasingly invading Norwegian airwaves. The law still forbids TV advertisers to target children directly, and as a result TV2 bas no specifically childrens' programming. Concern about television's influence on children is perhaps not surprising in a country where playgrounds are found on nearly every corner and disper-changing rooms are common in banks.

Dracula comes home to Romania this weeken as the latest film version of Bram Stoker's novel opens in Bucharest and 14 other cities. Much to-do is being made of the return of the world's most famous vampire, loosely based on a 15th century member of Transylvania's landed gentry, Vlad "The impaler" Tepes, The Stoker novel has been reissued, a book of medieval Dracula legends has been published, and a distillery, Transylvania Ltd., now offers a "Dracula Spirit" vodka which, of course, is blood red.

Brian Knowlton



havanana, northern Madagascar.

We spend years visiting village

their side, our elderly converts ptomote conservation with a zeal that belies their years. "Uncle" Prom (68), another

But he gets results.

Not that we don't believe

WWF also tuns training



FOR OUR TEACHER TRAINING PROGRAMME.

# He got in the way of somebody's war.



Nine out of ten casualties in modern warfare are civilians.

With France

The vast majority of its victims never wore a uniform or carried a gun.

In the so-called "post-war"
period since 1945, at least
20 million people have died in
over 100 conflicts. A further
60 million have been wounded,
imprisoned, separated from
their families and forced to flee
their homes or their countries.

In over 30 armed conflicts, this human misery is happening now.

Yet the Geneva Conventions

— ratified by 164 states — lay
down clear rules that all victims
of war living under the darkness
of conflict must be respected.

They have the right to protection from murder, torture, starvation and being taken hostage.

To focus attention on the plight of millions of civilians caught in the crossfire, the International Red Cross and Red Crescent Movement is launching a worldwide campaign to ensure that they get the protection and assistance to which they are entitled under international law.

No matter who. No matter where. No matter when.

We call on governments and combatants everywhere to respect the rights of all victims who get in the way of somebody's war.

MITTON

MINITAL DE

Help us to help them.



World Campaign for the Protection of Victims of War

# Iraq Acts to Save **Industry From Raid**

By Paul Lewis

New York Times Service BAGHDAD — In anticipation of renewed American and allied air strikes, President Saddam Hussein is seeking to protect strategic Iraqi industries and key government installations by removing irreplaceable machinery, records and equip-ment and hiding it in safe places. according to loreign diplomats and

This wholesale dismantling of potential industrial and governmental targets appears to have begun in earnest in June, the sources say, before President Bill Clinton ordered a cruise missile attack against an Iraqi intelligence center in Baghdad.

But it has accelerated since then, particularly in the military-industrial sector, with factories being stripped of whatever machinery can easily be removed and their workers sent away indefinitely.

Offices in the rebuilt presidential palace here have also been evacuated. And in some cases, government officials have been ordered to take

Contraction of

files to their homes for safekeeping. Iraqis bere say the foreign intelligence service headquarters that the United States attacked on June 27, with the loss of six civilian lives, was one of the government sites that had already been evacuated in the belief that it might be targeted again as it had been during the Gulf War.

This effort to protect Iraqi's key industrial and governmental cen-ters from another bombing attack is being organized by President Hussein's son-in-law, Hussein Kamei Hassan, who oversees the

country's military industries. And it is taking place just as Iraq finds itself at another standoff with the United Nations Security Countries of the cil over plans for monitoring two missile testing sites to ensure it does not develop forbidden weap-

Rolf Ekeus, the head of the special commission overseeing the cial commission overseeing the will be possible since Iraq is effec-elimination of Iraq's weapons of tively challenging the special com-mass destruction, is expected in mission's right to carry out the elimination of Iraq's weapons of Baghdad on Thursday for talks with the Iraqis about their refusal itary industries.

to let his weapons inspectors install surveillance video cameras at these sites or seal equipment there to prevent its use.

Under the Security Council's Gulf War cease-fire terms, Iraq is required to give up its weapons of mass destruction and its industries are to be subjected to long term monitoring by the special commission to make sure that Mr. Saddain does not try to rebuild such weap-

The Security Council has warned Iraq that it faces "serious consequences" if it continues to prevent the inspectors from carrying this

Both Mr. Chinton and the U.S. secretary of state. Warren M. Christopher, have hinted of possible new military action.

On Tuesday, Britain's United Nations representative, Sir David Hannay, who is this month's Security Council president, told Iraq it was "playing with fire."

According to a recent U.S. congressional study, Iraq has succeed-ed in rebuilding about 80 percent of its military industry which was heavily bombed during the Gulf

In a recent interview, the Iraqi minister of industry and mineral resources. Amer Saadi, asserted that 90 percent of civilian industry, which was also attacked during the war, was operational again, although a shortage of raw materials due to the trade embargo against Iraq has left most factories working

at 10 to 50 percent of capacity. The assumption among diplomats in Baghdad is that Iraq still wants a negotiated settlement to the dispute over monitoring of the missile testing sites, particularly since the Security Council has made it clear that until the dispute is resolved. Baghdad can forget about its request for a partial lifting of the oil embargo so it can buy

more food and medicine. But it is not clear whether this long-term monitoring of lraq's mil-

# JAPAN: Campaigning on Fear

Continued from Page 1

he arrived for a speech in this industrial city, is simple. His warmup act was the governor of the prefecture, Reiji Suzuki, who talked about the party's "big pro-jects, like the linear motor car, the Expo 2005, and the Nagoya-Kobe highway," all of which need big help from the LDP,"

Although his most potent adver-right now "Japan's AIDS level is saries are former Liberal Dena. Justia few hundred is of the level in crats, Mr. Miyazawa is branding all the U.S." of the opposition as Socialists of their political partners, ready to follow the Social Democratic Party doctrine in an "unprincipled alliance." At a press conference just before he greeted the local chapter of Liberal Democrats — mostly the elderly, bussed in to fill the hall he described the party renegades as just like curry rice, without any

A big white flower in his label, the prime minister, 73, bowed deeply to his andience, made only passing mention of political change and the scandals that triggered the

....

The second second

election, and talked about jobs. "Japan's tradition of industrial technology and its high level of training" is what sets the country apart, he said.

"That kind of condition does not exist outside of Japan," he added. Comparisons with other nations are always an effective strategy in Japan, because they reinforce the found a magic formula that somehow cluded the outside world. . .

Few are better at raising the specter of urban chaos and disarray than Mr. Watanabe, who despite a severe illness that forced his resignation as foreign minister, says he is angling for one last shot at the prime minister's post. He suggested at a campaign rally that Japan runs the risk of becoming just like the United States, a problem because

Miyazawa, who is squeezing every ounce of political advantage out of last week's trade accord with President Bill Clinton. For decades, the or muscle their way into established ones to obtain the Liberal Democrats have made their trappings of dignity and influence. steps from Lanza's and the more name as the custodian of the alli- A restaurant can also provide the cover of a legitithan the restaurant's maitre d'. name as the custodian of the alli-

framework for a trade accord. Mr. Miyazawa said he had decided that the moment had arrived "when the

top generals had to meet."

"That's when I suggested taking Clinton out for sushi," he added. eountry's ingrained sense of Mr. Miyazawa never said wheth-miqueness. Indeed, they suggest that the Japanese—and by exten-tion the Liberal Democrats—skipped over the fact that officials skipped over the fact that officials on both sides said no negotiating had taken place at the sushi bar.



over the past year, sitting Wednesday in front of an immigration office in Rehovot. Only 900 Jews remain in Yemen. Almost all the Jews of Yemen, about 45,000, came to Israel in the 1950s.

# **OMERTA:** Silence Golden No More at Mafia Tables

Continued from Page 1

vate repasts he prepared for the hierarchies of the Gambino and Colombo families.

This fall, the author will serve up "The Mafia Cookbook." It is a collection of what he says are the favorite staples of his former dining companions. Mr. lannuzzi, who was given the nickname Joe Dogs because of his penchant for greybound racing, presents 37 recipes: Monkrish Mannelli to celebrate a successful burglary; Pasta Fagioli and Veal Osso Buco to welcome a new soldier: Mandarin Pork Roast to honor an acting boss, and Orecchietti with Peas and Prosciutto in honor of a double murder.

"Mafia Handbook" is by Douglas LeVien Jr., a New York Police undercover agent, and Juliet Papa, a reporter. They provide a guide to the Cosa Nostra's preferred restaurants and recipes, such as Scampi à la Tommy Russo, named for a detective who used the dish to infiltrate the mob, and Penne Tommaso Buscena, a pasta delicacy in recognition of a major

In the United States, he said.

"marijuana is sold everywhere, and there are lots of drug patients."

But not everyone is U.S.-bashing, and certainly not Mr. Fish en Papillote in Bechamel Sauce requires five tablespoons of butter and three cups of milk.

For mobsters recognition at restaurants is a vital status symbol. Many Malia climbers open restaurants

ance with the United States. Mr.
Miyazawa is eager to pass the word
that he saved the relationship at a

Mr. LeVien and Mr. lannuzzi capitalized on this over-consumption. In their undercover lives, while wearing concealed bugs, they frequently obtained ineriminating evidence at restaurants.

The restaurant peril is an occupational hazard that has long been ignored by even the willest of bosses. Dine they must despite the list of casualties. Joey Gallo was gunned down in 1972 celebrating his hirthday at Umberto's Clam House in Little Italy. Carmine Galante, the dreaded Bonnano family boss, was assassinated in 1979 dining alfresco at Joe and Mary's Restaurant in Bushwick. And in 1985, Paul Castellano was ambushed at the entrance to Sparks Steak House on East 46th Street.

For reporters who cover organized crime, reconnoifamilies is a necessity. The landscape ranges over all boroughs: the Plaza Pizza in New Dorp, Staten Island; Amiei's in the Belmont section of the Bronx; Russo's Howard Beach, Queens; Abbracciamento on the Pier in Carnesie, and Giambone's, near the Criminal Court building in lower Manhattan, a lunchtime re-treat for Mafiosi as well as judges and prosecutors.

The bond between New York's traditional mobsters and restaurants was illuminated by the slaying of Galante in 1979. At the time, members and associates of the Bonanno and Gambino families delighted in the yeal rollatini and chicken cacciatore at the Lanza's Restaurant on First Avenue near 10th Street. Services for Galante were conducted at a funeral home a few steps from Lanza's and the mortician was none other

Here was a restaurateur who served Galante in life

# "Our negotiations were very, very tough," he told his supporters. After days of bickering between U.S. and Japanese officials over a treaty's constitutionality is pend.

treaty's constitutionality is pend-

Both the government and the repeers, most of them Conservatives her hold on power. by party affiliation or inclination. who attend parliamentary sessions only infrequently.

The peers, some clutching canes, others dozing off, listened as a suc-

cession of their colleagues invested for and against the treaty.

But it was Lady Thatcher they had

"We got our lingers burned," she

"We got our lingers burned," she come to hear, and after months of said. "Don't now go back to that spent the last several days scouring spent the last several days scouring most exclusively behind closed the estates of the land for the chamber's "backwoodsmen." those combativeness had not ebbed with head burned as well." head burned as well."

She added, "We should surren-

Aeknowledging that she had supported the Single European Act it it is the people's turn to speak, it of 1986, the precursor to the Maas- is their powers of which we are the

- RICHARD W. STEVENSON

# Japan Quake Toll Is at 102, Rescuers Seek 160 Missing

By Andrew Pollack

New York Times Service HAKODATE, Japan — As rescue workers and survivors dug through the rubble of coastal communities devastated by Japan's stroyed hundreds of homes. strongest earthquake in 25 years. Japanese anthorities said Wednesday that 102 people had died and that more than 160 people were still missing, many of them victims of

towering waves and raging fires. The worst damage, and more than half of the confirmed deaths. occurred on Okushiri, a small island of fishermen and vacationers in the Sea of Japan off the southwestern coast of Hokkaido.

Television images of the island's

low-lying village showed scenes of utier devastation, with houses and Buddhist temples splintered in the mud, hoats thrown far inland, and roofs of some houses floating out to Estimates of injured vary widely. from 73 to 190. Since the earthquake and tidal wave on Monday

night, many residents have been picking through the rubble looking for the bodies of relatives under the smoldering ruins. Police authorities said they believed some of the victims were

swept into the ocean by tsunami that were 3 meters to 9 meters (10 feet to 30 feet) high.

The Yoyoso Hotel, located be-low a hillside, was demolished in a landslide. Elsewhere on the island. which has a population of fewer than 5,000, waves and fires de-

"We can't see any trace of houses here," a television news reporter said as his camera panned the desolation in Aonae district, on the

southern tip of Okushin. The quake registered 7.8 on the Richter scale, Its epicenter was 80 kilometers (50 miles) west of Hokkaido, 50 kilometers beneath the Sea of Japan. It was followed minutes after-

ward by huge waves that flung

boats onto the shore and washed houses out to sea. Fires, thought to be caused by gas explosions, raged unchecked through southern Oku-Prime Minister Kiichi Miyazawa flew to Okushiri by helicopter on Wednesday and promised that the

reopen the harbor quickly so that material for rebuilding houses could he brought in.

were missing at the port of Rudnaya Pristan, about 250 kilometers northeast of Vladivostok. could he brought in. The armed forces flew in more

took refuge in a school and com- aged, the police said. Thousands of munity center. Badly injured peo- people were without electricity.

pitals in Hakodate or Sapporo. Hokkaido's largest city.

Japan's meteorological agency issued a warning for tsunamis about five minutes after the quake. but it was too late for residents of Okushiri and coastal towns on

Hokkaido. Experts estimated the height of the waves at 3 to 9 meters. People ran for higher ground as fast as

they could "As I was running I could see the houses coming to me," one young man on Okushiri Island said in an interview with NHK, a radio and television network. They were flowing on the tsunami.

The waves capsized or damaged hundreds of boats on the Sea of Japan coast, as far south as central Japan. There were also reports of boats being damaged or destroyed in South Korea and in Russia's Far East. The Russian news agency ingovernment would make efforts to terfax reported that three people

Outside Okushiri, most damage than 300 troops to conduct rescue and casualties occurred in towns on operations and to distribute emergency food, water and medical sup- do. There, craters opened in some roads and swallowed cars and Homeless people on Okushiri trucks. At least 17 roads were dam-

### NICARAGUA: The Guerrillas Show They're Alive

Continued from Page 1

present or former immigration officials of fraudulently issuing the passports found in New York.

No connection has emerged publicly between these passports and the underground vault operation hut authorities reportedly promised to investigate. Senior government officials declined requests for interviews on the matter.

Whether or not more connections are found, the consequences of the hlast in El Salvador and licaragua have been serious. In El Salvador, it has threatened

to derail the United Nations-mediated peace process because it wed at least one faction of the umbrella Farabundo Marti National Liberation Front failed to

destroy their weapons as promised. In Nicaragua, it has raised new questions about the Sandinista party's past ties to terrorist organizations and possible ongoing links. It has also renewed doubts that President Violeta Barrios de Chamorro has any real control over her country's army or intelligence opera-

Evidence fills 45 bulging manila folders in the tiny chambers of Judge Martha Quezada of the Fifth Criminal Court, who is investigating the case."

Last week she let reporters re-

were 310 passports, many blank, from 21 countries. can country besides Cuha to host Libyan, Iranian and Palestine Lib-c

There were scores of other false identification papers, blank permits from the Sandinista government to carry weapons and immigration stamps from various ത്തവര്ക With the documents were reams

of detailed studies of companies and more than 100 wealthy families in Brazil, Mexico, Ecuador and other Latin American nations who were potential kidnap victims, noting personal habits, family and political ties, net worth, surveillance techniques and potential ransoms.

Most of the documents appear to date from the period 1986-90, while the Sandinistas were governing. But there are papers from the Spanish Basque separatist group ETA from earlier this year, and docu-ments of the Salvadoran ex-guerrillas from May 1993. Few familiar with the case be-

lieve such an operation could have been set up without at least the Sandinista Front acting as a willing

Following the triumph of their revolution in 1979, the Sandinistas developed, with the help of Soviet Bloc and Cuban advisers, the most sophisticated intelligence opera-

tion in Central America. As a legacy of the Sandinista era, Nicaragua is the only Latin Ameri-

Libyan, Iranian and Palestine Lib-d eration Organization legations.

posedly were cut when Mrs. Cha-stmorro, a favorite of the Uniteda States, defeated the Sandinistas in-the 1990 presidential elections. But 5 investigators and diplomats saye that because she left the Sandinis-b tas in charge of the military, police i-, and intelligence operations, their Sandinistas have been able 100

According to court documents A. the operator of the repair shopst. Miguel Larios Moreno, was di-Basque who obtained Nicaraguarle citizenship from the Sandinistas in 1982 based on a falsified Ecuador is an diplomatic passport.

maintain most of their old network id

He vanished after the blast. Othes er bits have emerged to intrigue's diplomats looking at the case, inc. cluding eyewitness accounts that Mr. Borge, a hard-line Sandinista it was one of the first to arrive at the country at the cou scene — in his pajamas — after oi2: the blasts, even though he holds ned government position.

The chief military spokesman<sup>Ty</sup> Lieutenant Colonel Ricardo Whee-Y lock, former head of the Sandinist military intelligence, said the charge was "slanderous," and saide that if the army wanted to hide that origin of missiles, it could simply

### How Suspect Sheikh Made It to U.S. cial. They said a classified State Department report

By Douglas Jehl New York Times Service

U.S. Embassy in Khartoum who signed Sheikh Omar Abdel Rahman's request to enter the United States

was an officer of the Central Intelligence Agency.

But officials said he did not act in his capacity as a
CIA officer. Rather, he was acting as a consular
official, a role be had been assigned at the embassy.
The episode allowed Sheikh Abdel Rahman to travel
for the first time to the United States where his for the first time to the United States, where his followers now include central suspects in the World Trade Center bombing and a second bomb conspiracy case uncovered last month.

An investigation by the State Department and the CIA has found that the action was an innocent blun-der, the officials said. They said the CIA officer approved the visa application after being assured incorrectly by a Sudanese employee that the Egyptian

eleric's name was not on a watch list of undestrables.

It was a coincidence, the officials said, that the CIA officer had been assigned to serve as a consular offi-

said that no indication had been found that the deci WASHINGTON — In an odd twist to a bizarre sion to grant the visa was part of an intelligenc tale. U.S. officials reported that the diplomat at the

The disclosure of the CIA officer's role, which was first reported by Newsweek, helps to explain some city the secrecy that has surrounded the government investigation into how Sheikh Abdel Rahman was able to enter the country in 1990. The CIA refuses to discusting its operations abroad.

# 11th Suspect Is Charged in N.Y. Cases An I I th man, I hrahim A. Eleabrowny, was indicted on Wednesday in the alleged plot to blow up the United Nations and other New York facilities, Ret ters reported from New York.

Mr. Elgabrowny had previously been indicted of charges of obstruction of justice and possession of false passports in connection with the investigation into the Feb. 26 bombing of the World Trade Centers. The authorities had previously said he was a suspect ithe case but had not formally charged him with directing involvement in the bombing. involvement in the bombing.

TODAYS

# INTERNATIONAL RECRUITMENT

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# HEALTH / SCIENCE

# Exercise Helps Protect Bones, but Not Alone

By Jane E. Brody

EW YORK — Concerns about fragile bones have joined worries about being overweight and at risk for heart disease in prompting millions of women near or past menopause to start exercising. Having heard that exercise can help maintain and even increase bone mass, they are walking, running, swimming, cycling and even lifting weights to ward off the fractures caused hy osteoporosis.

But many exercise enthusiasts are not getting the benefits they think they are, recent studies indicate. Not all kinds of exercise are equally peneficial to bone strength and some types may do little good. And exercise is but one of three crucial factors in maintaining healthy bones.

The other two, an adequate intake of calcium throughout life and, for women at or past menopause, estrogen replacement therapy, complement the effects of exercise and may even be essential to its potential bone-building benefits.

Dr. Morris Notelovitz, an osteoporosis spe-cialist in Gainesville, Florida, warns that women who think they need not worry about calcium or estrogen hecause they exercise regularly could be mistaken. Osteoporosis is a debilitating and sometime

fatal disorder of fragile bones. In the United States, it causes 1.3 million bone fractures a year at an annual cost of \$10 billion. The size of the problem is expected to grow as people continue to live longer and as baby boomers who grew up on soft drinks instead of milk pass the big 5-0.

After the age of 35 women lose bone mass at a rate of 1 percent a year, a rate that doubles or quadruples after menopause. In the decade after menopause, women typically lose 5 to 10 percent of the hone-sustaining minerals in their spines

As a result, according to the National Osteoporosis Foundation, one-third of American women over 65 suffer spinal fractures and 15 percent break their hips because of osteoporosis. For men, significant bone loss usually starts 10 to 20 years later than in women. Men have denser bones to begin with, and the predominant kind of hone that men lose is less crucial to overall bone strength.

But men, too, are affected by osteoporosis; a quarter of hip fractures occur in men. And imong men who reach their 80s, one in six will

As with many other things in life, if you do not use bones, you lose them. Using bones means working the muscles that support them against a resistant force like gravity. Bone is built up in response to stress and breaks down almost as soon as the stress dissipates. Thus, astronauts outside the tug of gravity and people bedridden by illness or disability lose bone very rapidly.

Many studies have indicated that exercise can help to maintain and even increase the

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California in San Francisco found that men in their 20s who combined weight training with aerobic exercise for an average of six hours a week for at least two years had denser spinal bones than men who did only weight training or only aerobics. In turn, all those groups had denser bones than a comparable group of sedentary men.

Bone is a "fluid" tissue, constantly being broken down and reformed. To favor buildup over breakdown, the muscles attached to the bones must be contracted and strengthened. This produces piezoelectricity, a force that results in bone deposition at the stress points.

Unless hones are repeatedly subjected to stress, the breakdown process outruns the buildup and bones gradually become porous and weak. Activities like weight lifting that involve high loads and high stresses (and conse-quent muscle strengthening) are more effective at building bone than activities that involve many repetitive cycles, like running, walking or

Strength training like lifting weights or working out on resistance machines has recently emerged as one of the best ways to strengthen bones in the spine and elsewhere, even in the elderly. Alternative activities include using a rowing machine or an exercise cycle with increased resistance on the flywheel

The benefits of exercise to bone seem to be specific to the activity. Thus, runners and cy-elists tend to have denser bones than sedentary people in their legs and hips, but not in their arms or spines. Tennis players have denser bones in their playing arm than in the arm that merely tosses serves. Swimmers who do a vigorous crawl would have denser bones in their arms and shoulders than in their legs.

To strengthen bones bodywide, a variety of activities should be pursued that use different muscles against resistance, for example, cycling

LTHOUGH exercise is the only way known to increase hone mass after a person's 20s, it cannot work without the proper support. This means taking in an adequate amount of the bone-building mineral calcium, preferably from food and if not, through supplements: 1,000 milligrams a day before menopause and 1,500 milligrams

Nor can exercise alone increase bone mass enough to offset the losses that result from estrogen depletion at menopause. Thus, experts in osteoporosis often recommend estrogen replacement therapy for all post-menopausal women who can use it safely.

Furthermore, they recommend adopting bone-building living babits during the teenage and young-adult years to establish a larger "retirement fund" of bone.

### Ideas for a Bone-Building Workout

Aerobic exercise like running may help increase bone mass in the legs, but won't necessarily help bones elsewhere (in the arms, for example) unless done with hand weights. Here are some exercises that target the spine and upper body, and can help increase bone density bodywide.

MUSCLE-STRENGTHENING: FOR SPINE AND HIPS

isometric abdominal contraction Strengthens abdominal muscles, which protect the back against

Lie on back, press lower back against floor, bend knees to 90 degrees. Tuck chin to chest and contract abdominal muscles. Hold position for 10

**Back extension** Strengthens back, buttocks and hamstrings.

Begin on all fours. With back flat, lift one leg so heet is level with buttocks. Contract buttocks and thigh; hold for 10 seconds; When you feel balanced, lift opposite arm simultaneously with straight leg.



WEIGHT-LOADING: FOR ARMS AND UPPER BODY

Compressive loading: sitting push-ups Seated in a chair with your feet on the floor, grasp edge of chair seat. Straighten arms to raise yourself an inch off the chair (do not lock elbows); hold your weight on your hands for 10 seconds. Slowly bend elbows to lower vourself.

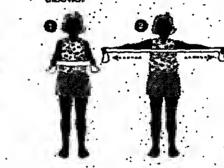
Tensile loading: ber hang Hang from a bar for 10 seconds. NOTE: Avoid this exercise if you have a wrist, elbow or shoulder injury.

RESISTANCE: FOR SHOULDERS AND BACK

These exercises use a resistance stretch band, a strip of stretchy material about a yard long, to counteract rounding of shoulders and back

External rotation Grasp band with both hands: keep elbows pressed against waist. Slowly open forearms outward.

Grasp band with arms stretched out in front, about chest height. Slowly. open arms to the side; do not lock



# Rumors Over Diet Drug Exaggerate Its Potential

By Natalie Angier New York Times Service

EW YORK - A novel type of diet drug has entered the final stretch of climical testing in the United States and Europe, and, as might be expected with any new strategy on the weight-control front, rumors about its prowess have been greatly exaggerated.

The new medication, called either by its chemical name, tetrahydrolipstatin, or by its generic name, orbistat, works in what seems to be the sweetest-possible fashion, blocking the absorption of much of the fat that has been consumed and allowing it to pass right through the intestines before the body's analogingly effi-cient storage system has a chance to claim it as

ILS OWD. In so doing, the drug can help eliminate about 10 to 15 percent of the day's caloric intake with relative ease, sort of allowing dieters to cat their cake and not have it, too.

But physicians familiar with ordistat warn that while the drug could prove moderately useful for the truly obese, it is by no means a panacea, and that it will work only in conjunction with those dreary changes in eating and exercise habits that nutritionists have been

This is not going to be some sort of magic bullet, "said Dr. Michael Hamilton of the Duke University School of Medicine. "You're not going to be able to sit down at the table and push away six hours later expecting not to gain

Above all, doctors said, orlistat is not meant for the worried slim who wish to shed a pinch of flesh for a college reunion, "This drug is de-signed for those who are clinically obese, that is, percent or more above their ideal weight," said Dr. Ionathan B. Hauptman, director of therapeutic research at Hoffman-LaRoche Inc. in Nutley, New Jersey, the company that makes orlistat. "These are the people who are at increased risk of medical complications because of that extra weight. For the person who wishes to lose 10 pounds for a son's wedding, there are essier ways to do that than to go to a doctor and go on a drug like this."

The drug does not increase weight loss by huge amounts; initial clinical trials indicate that, at most, it will double the pounds lost. Usually, it will not help even that much.

In one 12-week study, for example, obese patients who were placed on a moderate diet, which eliminated 500 calories, and who were given the drug three times a day lost an average of nine pounds (about four kilos), compared with the four and a half pounds lost on average by those on the moderate diet alone. And while the drug does not seem to pose any serious medical risks, its modus operandi can result in impleasant side effects like greasier waste and increased gastrointestinal activity, leading to

"When you block absorption of fat, that fat has to come out in the stool, so you end up with fattier, bulker and slightly more noxious stools," said Dr. Xavier Fi-Sunyer, director of the distriction of and control of the distriction of the districtio the division of endocrinology and nutrition at St. Luke's-Roosevelt Hospital Center in New

The drug is being tested at 100 study sites in the United States and in Europe, and about 4,000 obese patients are expected to participate in the trials worldwide. The early mals have been brief, so the current, and final, round of testing is designed to see how patients fare when they take the drug for up to two years.

The National Institutes of Health estimates that about 34 million Americans are obese and that another 34 million border on being so. Fat people are at increased risk for a bost of medi-

The new medication, still being tested, works by blocking the body's absorption of fat.

cal ailments, including diabetes, heart disease high blood pressure and cancer, not to mention the tremendous stigma they bear in a society ssed with fitness and the appearance of

Obese people who attempt to diet have an extremely high failure rate, which exceeds the relapse rate for those who quit snicking or drinking. An increasing number of physicians are beginning to ascribe the dieter's difficulties to factors beyond a person's control, particularly genetic predisposition.

"Body weight is really recalcitrant," said Dr. Jules Hirsch, an obesity researcher at Rockefeller University in New York. "In a biochemical and evolutionary sense, it's well wired in there, and the drive to make up lost fat is very strong."

Many doctors have also come to view obesity as a chronic and recurring disease, one in need of medical intervention beyond the classic three-minute lecture about losing weight. "Physicians have traditionally looked at this as a matter of 'Pull yourself up by your own boot-straps, go on a diet and start exercising." Dr. Hamilton said. "Well, you have to do these things for diabetes and hypertension as well, but nobody is suggesting you shouldn't also take drags for these conditions."

With that new acceptance in mind, some doctors have begun placing patients on long-term, low doses of drugs like phentermine and fenfluramine, mild stimulants that suppress apetite and seem particularly useful in keeping ost weight off.

# Mixed Reviews for Autism Treatments

By Daniel Goleman

bates about ways of treating autism, one of the most disabling and perplexing of mental disorders, are fanning both hope and skepti-

On the one hand, hundreds and perhaps thousands of parents and families are exultent that they seem to have found an almost magical means, called "facilitated communication," to break through the walls that separate those with autism from the world around them. On the other. many professionals and scientists, evaluating the approach with scientific tests, are likening it to a Ouija board, contending that those who use it are unwittingly putting words into the mouths of the autistic people they believe they are helping express themselves

And with much less fanfare recent studes suggest that two other treatments, one a drug commonly used to treat obsessivecompulsive disorders, the other an intensive program of behavior therapy, may offer more reliable, if less spectacular, re-

Autism, the first signs of which emerge in a child's preschool years, is marked by an indifference to other people, repeating words over and over or other problems in speaking, bizarre movements like hand flapping or rocking back and forth, and fixation on specific objects or daily routines. People with autism vary widely in intelligence, with some being mentally retarded and others measuring above average on standard intelligence tests. While some can speak clearly, many others do not speak at all.

There is no sure cure, though a few autistic children — perhaps 1 or 2 percent at best — recover from most symptoms by adulthood. An Australian woman, Dorma Williams, wrote about her recovery in "Nobody Nowhere" which was a best seller earlier this year.

Over the years there have been a series of treatments for autism touted as breakthroughs which, after more objective inspection, have proven disappointing. Still, recent findings suggest some hope for at least small gains.

A report in The Archives of General Psychiatry showed that clomipramine, a medication effective in treating obsessivecompulsive disorder, reduced or stopped a range of symptoms in three-marters of 24 amustic children tested. The improvements were seen most strongly in symptoms that resemble compulsions, like hand flapping. But in many children the medication also improved their ability to make eye contact and begin interactions, reduced byperacuvity and stopped temper tantrums that had led children to bite or hit themselves.

"An indirect benefit may be that this: those in a companying group and source helps kids communicate because they are get autistic children into this action at less auxious, frustrated and preoccupied with repetitive movements that can conclude the clock teaching of language and social skills. sume hours of their day," said Dr. Charles T. Gordon, a researcher at the Child Psychiatry Branch of the National Institute of Mental Health who led the study.

Dr. Gordon said that clomipramine might be most useful with autistic people who suffer from particular symptoms: compulsions like the ritualistic lining up of objects or elaborate habits like walking a fixed number of steps backward and forward when going through doors, endlessly repeating certain movements like twirlin njuring themselves when frustrated and ing easily overwhelmed by new settings. But Dr. Gordon cautioned that the findings were preliminary and that the medication may not work in all cases.

HERE has also been quiet progress with intensive behavior therapy in treating autism. A team of psychologists headed by Dr. fvar Lovaas at the University of California at Los Angeles reported in the April issue of The Journal of Mental Retardation on the progress of 19 children with autism who at age 2 or 3 had received at least 40 hours a week of behavioral treatment designed to encourage normal behavior. By age 11, most of those who received

the treatment were doing far better than

a large proportion end up substantially improved," said Dr. Gina Green, director of research at the New England Center for Autism in Southboro, Massachusetts."

"Families with autistic children are co a roller coaster," said Dr. Howard C. Shane, director of the Communication Enhancement Center at Children's Hospital in Boston, affiliated with Harvard Medical School. "They get bad news when their child is young then grow hopeful as new things come along, which then are do-bunked. Now they're poised at the top of the Six Flags ride."

What has raised hopes to these heights is a burst of enthusiasm about still another treatment, facilitated communication, in which a helper holds or braces the hand, wrist or arm of an autistic person who uses one finger to type words on a keyboard a task that, at least initially, would be impossible unaided. In theory, the helpers are supposed to "fade back" their control over the person's movements, eventually leaving them free to type messages on their

But now a controversy has erupted, ascarefully controlled tests seem to show that the communication comes from the belper, or facilitator, rather than the autistic per-

### IN BRIEF

# Extatence of Black Hole

LONDON (Renter) - Astronomers on Thursday detailed new evidence pointing to the existence of a black hole. Writing the journal Nature, Walter Jaffe of Leiden University in the Netherlands and U.S. colleagues said they had taken pictures of a nuclear accretion disk; which scientists have theorized surrounds a black hole. "Using the planetary camera on the Hub-ble Space Telescope, we have discovered an unexpectedly large disk of cool dust and gas storounding a bright unresolved nucleus in the active galaxy NGC4261," the article said. "Clearly visible in the center of the image is a sharply defined absorbing disk that blocks light from the stars

### More Data for Tropics As Hotbed of Evolution

WASHINGTON (WP) - Why, evolutionary biologists have long asked each other, is life so much more exuberant and diverse in the tropics? David Jablonski, a University of Chicago expert on evolutionary theory, reporting in the July 8 Nature, offers the first quantitative evidence ad-dressing the question. It suggests there is so much more evolution in the tropics that perhaps 75 percent of life's major anatomical diversification originated there.

that causes it, it must be said that

mendable on other counts) are not

quite strong enough to overthrow a

generation of research that suggests that the causes of black disadvan-

tage are multiple - and include

unemployment and technological

change - and that most are gener-

Nor do the authors tell us enough about how blacks, whites

Overall, however, the case they

make against residential racial seg-

regation is cogent and compelling. One hopes that the book will be

spectrum of citizens and by all the

Andrew Billingsley, the author of Climbing Jacob's Ladder: The En-

and others can organize to help

overturn segregation and racism.

ated from the larger society.

against segregation (wh

### BOOKS

AMERICAN APARTHEID: Segregation and the Making of the Underclass

By Douglas S. Massey and Nancy A. Denton. 292 pages. \$29.95. Harvard University Press.

Reviewed by Andrew Billingsley

poor as though they were separate and distinct from the rest of us, and as though poverty and nonpoverty were permanent conditions. But

when IBM joins the parade by anthousands it eliminated last year, it is a loud wake-up call signaling that economic insecurity has come to the middle class in the 1990s, just as it had come to the working class

some 30 years before. This development, plus the tendency of the national leaders to MANY studies of poverty have look for scapegoats instead of polifallen short by treating the cy solutions, has devastated the black working class and has been primarily responsible for black family instability. Perhaps now

that economic instability is reach-

ing into the middle class, the Unit- discrimination by both individuals . nouncing the abolition of thou-sands of jobs this year on top of the they do, they will be enormously informed and enlightened by a reading of Douglas S. Massey and Nancy A. Denton's book. Massey and Denton argue that

persistent poverty among blacks in America's inner cities has been largely misdiagnosed by 20 years of studies. Poverty among the underclass has been attributed to its members' attitudes and behavior and to conditions such as technological change and economic stagnation. Massey and Denton write, however, that racial prejudice and

and voluntary associations and public policies have all ensured the persistence of racial segregation and have moreover, been missing from the analysis.

The authors are clear in their focus on racial and spatial segregation and on the origin of such racist practices. "This extreme racial isolation did not just happen; it was manufactured by whites through a series of self-conscious actions and purposeful institutional arrangements that continue today," they Massey and Denton, on the basis

of extensive, highly focused and painstaking research, have arrived at the same conclusion expressed in almost the same terms as the 1968 Kerner Commission report, which informed a still unbelieving nation that "white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condoges it." ...

The authors go to considerable length to show that racial segregation in housing has not always been as rigid as today. The era of inte-grated living and widespread interracial contact was rapidly effaced in American cities after 1900 because of two developments: the industrialization of America and the concomitant movement of blacks from farms to cities."

But the authors go further. They point out the linkage between racsm, the inner city and persistent poverty among African Americans: "Segregation created the structural conditions for the emergence of an oppositional culture that devalues

work, schooling and marriage and that stresses attitudes and beha-viors that are antithetical and often against segregation (while comhostile to success in the larger econ-

In this regard, the anthors seek to refute the theory of a "culture of poverty" among African Americans. By substituting instead their own argument for a "culture of segregation," they seem to hold that it is not because blacks are poor that they often behave in ways harmful to themselves and society, but because they are acgregated.
But it is difficult to see how that

provides much improvement in our derstanding of either poverty or of black behavior. It may well be, others have argued, that the harmful behavior cited above read, not only by other scholars grows not so much out of the cul- and policy analysts, but by a broad ture of the people - whether they are poor or segregated, or both as out of the structure of the society that makes them poor and that seeregates them.

And finally, while one does not during Legacy of African American wish to say anything good about Families," wrote this for The Wash-segregation, or about the racism ingron Past.

WHAT THEY BE BEADING

leaders of the nation.

· Carlo De Benedetti, president and chief executive officer of Olivetti, is reading "La Casa Degli Spiriti" (House of the Spirits) by Isabel Allende. "It's a wonderful, imaginary sto-ry that nevertheless grasps the essence of life in the way I feel it

### BRIDGE

By Alan Truscott out Teams early last month. Mrs. Jacqui Mitchell, won plandits for an episode in an earlier round on one heart showed game strength which she sat West. South at one point had realized, with horror that he had inadvertently placed a "pass" card on the table and that West had done the same. "I don't want to win like this," said Mrs. Mitchell. "Let's redeal the board." She and her partner, Peter Parella, tract, he led the heart five, which

nevertheless won the match. On the diagramed deal from anagain faced confused opponents.

and South remembered. They the queen.

therefore landed in three no-trump

the ridding ended, South immedi- been one. ately explained that his response to with 4:44 distribution. North now knew, too late, that he should have bid four spades and Parella had a useful clue for the lead. Instead of leading the routine

was devastating. It did occur to South to play dummy's heart ten, but he played other tournament, sitting West dummy's heart ten, but he played with a different partner. Parella low, a play that was due to gain with several other layouts. East North-South had a partnership with the eight and returned the agreement that North had forgot other round and then led a spade to

Parella took six tricks and had

instead of the obvious four spades gained 11 imps for his team. He O NE of the participants in the was bid and made by Parel-would no doubt have won the final of the Reisinger Knock- as teammates in the replay. When opening lead prize - if there had

> +K842 VA1076 heart king, which would have given OKQJ952 South chances to make his con-SOUTH **♦**0763

mysell; the smell of the land, the poor, Pedro Terzo Gracia's impos-ing personality, Alba's green hair."

# ORLD Synergy at work with Siemens AG

Synergy between partners, drawing on the huge potential of

Siemens AG for performance capacity far beyond the reach of Siemens Nixdorf on its own, and working with clients to plan and develop the final product: integrated solutions, from central servers in administration to process control computers in the factory - solutions which can only be provided by Siemens Nixdorf working with Siemens AG's plant, transport and automation technology divisions and public and private networks. From "Computer Integrated Railroading" - the computer-supported control and supervision of rail movements at the Munich North shunting yards - to the integration of diverse computer and database systems for a more efficient construction and redevelopment strategy at Horsham - planned by Siemens and carried out by Siemens Nixdorf. The achievements of "Synergy at work" worldwide translate into benefits for clients in every sector, from BMW to national energy suppliers such as MEW Kuwait. See this new issue of IT World News for more details.

mens

Example of synergy in telephone billing

Bangkok: Hot billing a hit at the Telephone Organisation of Thailand.

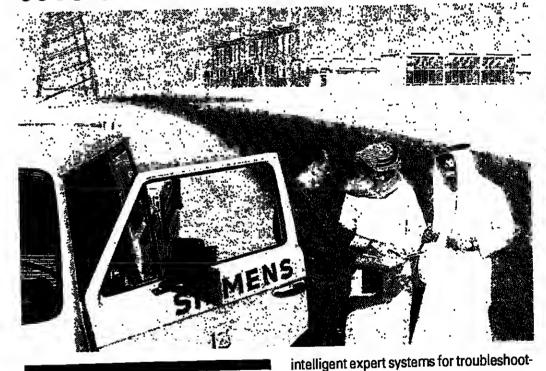
To ensure first-class service to its customers, the Telephone Organisation of Thailand (TOT) has decided to utilize "Synergy at work", by combining the Siemens Digital Public Switching System EWSD with a SINIX\* computer with RISC-architecture from the Siemens Nixdorf Group. The company has installed Siemens' EWSD digital switching system which puts through several million. phone calls every day, as well as recording charging units. "Synergy at work" then provides instant telephone billing at the company's branches, through direct connection of Siemens Nixdorf high-speed SINIX computers to the EWSD, and a link to the account printer at TOT branches. Via the EWSD system, the computer is immediately informed of the duration of a public telephone call made by a TOT client. It calculates the units and charges, and prints out the account in Thai script. The advantage for the client is that it is no longer necessary to wait for the clerk on duty to read the charge meter, look in the rate list and calculate the charge. Instead, the entire transaction ope-

rates in synergy between the EWSD system and the SINIX computer - from tariff determination right through to hot billing printout. The client then only has to go to the counter and pay, and retains the hot billing printout as a receipt.



Example of synergy in power supply

Kuwait: From high voltage network to data network "Synergy at work" covers the lot.

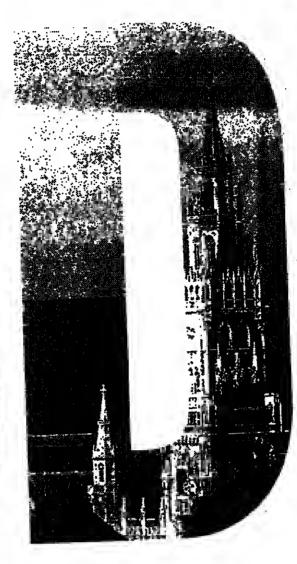


The Kuwait Ministry of Electricity and Water (MEW) is investing 130 million DM to bring itself right up to date in terms of monitoring and controlling the power station operation together with the 300/132 kV high voltage network. The aim is to create an integrated mains supply technology within 36 months, thereby making the power supply more reliable and more efficient. Siemens is providing the mains technology - using SINAUT Spectrum. Combined with this is Siemens Nixdorf's latest computer technology workstations with SINCAL SINIX software, and PCs for office automation, as well as

ing in the event of system failures. SINCAL provides comprehensive network planning, calculation and analysis - data from the power stations and substations is transmitted, processed by the computer system and displayed on screen as compressed graphical information. Using this information, the power station operation can be perfectly coordinated and the electricity network economically operated - through optimal load distribution. As well as updating the mains technology, MEW's communications transmission network in Kuwait will also be upgraded and modified.

# SIEMENS NIXDORF







Example of synergy in city administration

# Munich: Digital networks for closer links with the community.

Siemens and Siemens Nixdorf are bringing Munich's City Administration into the hi-tech age, using an integrated data and telecommunications solution. An ISDN digital telephone network will also provide the means for rapid handling of documents and information, using Siemens Hicom telephones with Siemens Nixdorf PCs and SINIX computers. The aim of this networking is to establish a modern client-server link connected to BS2000 mainframes. All PCs will run the

Siemens Nixdorf OCIS office solution, under the ComfoDesk graphical user interface. The result will be a complete solution linking 10,400 workstations on 250 sites into an in-house network. At the same time, the Administration's various offices, in many cases in buildings protected by preservation orders, will be spared costly cablework-ISDN provides rapid data transmission simply by using existing telephone lines. Text and graphics can be transferred within seconds. The system also takes care of time management: a central timetable stores appointment times for all parts of the Administration and facilitates the organisation of meetings. The rate at which enquiries are handled and tasks processed is markedly increased. Slow postal and internal delivenes are "out", with correspondence being sent by electronic mail via ISDN. This saves time and money, and draws the Munich City Administration much closer to the community

Example of synergy in freight logistics

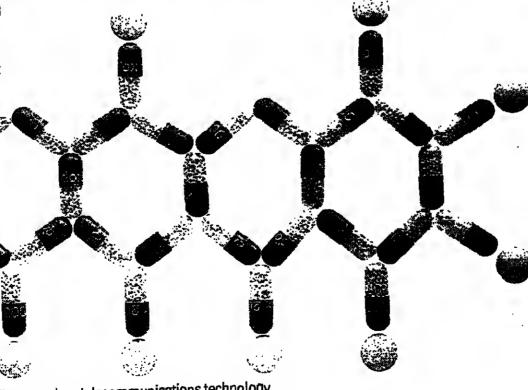
# Bonn: Billion DM bighteen package for Deutsche Bundespost



Example of synergy in pharmaceutics

# Ulm: "ICCS" Merckle-ratiopharm's new success formula.

When you're dealing with the synergy between data communications and telecommunications, "Synergy at work" is the best prescription. This was the line of reasoning followed by the German pharmaceutical company Merckle-ratiopharm when it commissioned Siemens and Siemens Nixdorf. The company wanted a completely new network infrastructure to optimise the flow of management, production and logistics information. Siemens Nixdorf did the groundwork - as main contractor and systems integrator. The company installed a high-performance H90 host running under the BS2000 operating system and linked to more than 300 workstations. Added to this is the R/2 modular business management user software from SAP AG, Siemens Nixdorf's partner - with modules ranging from financial accounting to material control. The first joint project with Siemens was warehouse control. For this operation, Siemens' MOLAX modular stores management system was installed on Siemens Nixdorf SINIX open systems computers. Integrated with R/2, MOLAX gives Merckle-ratiopharm rapid goods distribution and control for the 30,000 pallet spaces available. To link the most



modern telecommunications technology into the data network, Siemens AG installed a comprehensive network: the "Integrated Communications Cabling System" (ICCS), which operates over open industry and standard interfaces, integrating available installations and reducing cable quantity to a minimum. The result is that all the firm's factories can easily communicate with each other, computer to computer or telephone to computer. All via a single communications port. With 33 new parcel post centres throughout Germany, Deutsche Bundespost has adopted a forward-looking concept for freight movement: parcel delivery within 24 hours is to become the standard. The Automation Division of Siemens AG is the main contractor for all the operational management technology at the parcel post centres. Under a 1.2 billion DM high-tech package, Siemens AG will provide the sorting and distribution systems and the automation technology, calling on Siemens Nixdorf for computer technology. The extent of this project can be seen at the first parcel post centre at Hagen-Fley. A Siemens Nixdorf MX300 coding host computer with specially developed software and connected PC coding workstations is used to ensure correct distribution of the parcels. Each parcel is marked with a barcode bearing all the information on its destination and route. A barcode reader connected to a Siemens SIMATIC control system reads

the barcodes and manages the sorting and distribution of the parcels via conveyor belts, tip-trays and chutes, until they leave the parcel post centre. This is done with such precision that up to 250,000 parcels per day arrive at the right point of destination, for forwarding to delivery areas, delivery bases, or to another parcel post centre. The smooth running of the operation is monitored by a fully-integrated reporting system on a Siemens Nixdorf MX 300 computer. The computer collects and displays operational and fault data from all the connected systems, calculating and monitoring system availability levels. All the parcel post centres are scheduled for completion by 31 December 1994, creating a nationwide logistics system which will reduce the number of handling stages per package from up to nine at present, to only two. Later a tracking and tracing system will be introduced to provide a comprehensive parcel follow-up service.

Example of synergy in telecommunications

Digital telephone operation from Siemens-

from Siemens Nixdorf: for the Austrian Post

Office and Telegraph Administration (OPTV)

this is the ideal combination to bring a new

level of efficiency into telecommunications.

The OES-E digital telephone network for

Siemens' EWSD system since 1985, Siemens

Nixdorf now brings extra performance to its

operational management. BS2000 compu-

ters with the TED subscriber and customer

care database, and an extra processor for

operation and maintenance of the EWSD sys-

tem, are the heart of the newly establish-

Munich: "Synergy at work" running in top gear at BMW

latest automation systems and Siemens

Nixdorf's information technology for servic-

ing the latest automobile technology. TESTER,

the diagnostics system from Siemens, im-

mediately pinpoints problem areas on the

information system, provides efficient back-

up for maintenance and service. As an elec-

tronic workshop manual using CD-ROM, TIS

not only reduces the flood of paper to a mini-

mum; it also provides BMW service techni-

cians with all the information they need -

vehicle. TIS, Siemens Nixdorf's technical

Example of synergy in the automobile industry

**Customer Service.** 

Ever safer, ever more efficient, ever closer

to perfection - but as sophisticated as to-

day's automobile technology may be, its

maintenance is placing ever greater de-

For example, for accurate diagnosis of

mands on mechanics and their equipment.

faults within the complex control systems

of BMWs, the standard workshop equip-

ment has been inadequate to the task. So

the Bavarian car manufacturer has ordered

"Synergy at work", combining Siemens'

most of Austria has been controlled by

service, management and maintenance

Siemens and Siemens Nixdorf.

ed, multi-functional operations offices. Con-

nected to that are the workplaces and the

telecommunications installations at the

operations offices, Siemens EWSD systems

in the exchanges, plus data connections

to the OPTV computer centre. The synergy

effect is demonstrated by employees in

the operations offices being able to receive

notification of faults in the telephone net-

work via the Siemens Nixdorf and Siemens

system connection, and to process them di-

be checked from the BS2000 computer at

scribers can be managed via the data base.

If, for example, a new connection is reque-

from details on the right tool for a particular

stallation. Both systems are combined in a

comprehensive dealer information pack-

age with other Siemens Nixdorf components,

such as the electronic parts catalogue and

business management programs for proces-

sing orders and for job planning. "Synergy at

work" is running in top gear at BMW, provi-

ding a highly organised and efficient custo-

mer service.

job to a complete guide to repairs and in-

rectly. The line operation, for example, can

the touch of a few keys. All the telephone sub-

Example of synergy in public administration

system.

Horsham is located just 40 kilometres from London and has to cope with the challenges of being a successful and growing town close to a metropolis. To deal with the constantly changing needs in housing and business re-developments, Horsham District Council has implemented one of the UK's most ambitious local government IT projects. In the first phase of the project Siemens Plessey worked closely with the Council and carried out a detailed employee survey that defined in-

formation "workflow" through-

out the organisation. From this information Siemens Plessey created a corporate data

model (CDM), which was used to develop a blue-

print for the efficient

running of the Council

and to inform future IT

implementations. In the

second phase of the pro-

used the CDM informa-

ject Siemens Nixdorf

tion to advise its installa-

tion of an advanced geo-

information system ur.

the Council's planning.

department. SICAD was

implemented on a mainframe as well as

on four UNIX\* and three PC workstations.

Around 700 Ordnance Survey maps for the

Horsham region were fed into the system. A further 300 sets of maps on statutory building restriction building records were also added. SICAD will soon also be accessible on an existing property, geographical and historical databank, and via a registration system. With this databank, Horsham's coun-

cil personnel can respond quickly and in

detail to enquines on building approvals, for example when they deal with environmental,

legal or historical enquines. For this, SICAD data will be retrieved via networked computers and assembled in the appropriate format. The information is then transmitted back and forth between the appropriate departments - without the need to struggle through a jungle of papers and maps, or having to spend hours searching through archive material. According to Martin Pearson, Horsham's Chief Executive Officer. and prime initiator of the IT project: "With Siemens Nixdorf's geo-information system, we have access to a huge volume of information of benefit to all sectors of the com-

espost.

**Horsham District Council bases** 

town planning on a geo-information

of technology for telecommunications in

Europe.

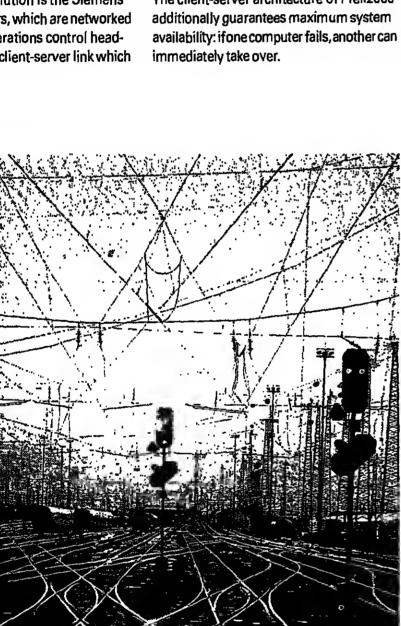
**E SIEMENS** INIXDORF

Example of synergy in police operations

# Vienna: Better informed and faster on the spot, using Pfeil2000.

In traffic accidents, break-ins and robberies, every second counts, and police operations must be perfectly planned. A technical fault or incorrect information supplied to those running the operation can result in a fiascoand in extreme cases can even cost lives. So, after intensive evaluation of different systems, the Federal Ministry of the Interior ordered "Synergy at work" for the Vienna police force - to establish an integrated operations control system. The hardware and network technology for this system comes from Siemens Nixdorf, and the application comes from Siemens equipment technology. The result is Pfeil 2000. The cornerstone of this solution is the Siemens Nixdorf C50-Servers, which are networked with PCs at the operations control headquarters – giving a client-server link which

monitors all communications facilities as well as reports of accidents and break-ins. Pfeil2000 knows straight away where an emergency call has come from or where an alarm button has been pressed. As a further expansion stage, a graphics system will be networked with Pfeil 2000 to aid the police in further operational planning: street maps and building plans will be displayed in a flash. All available resources will then be precisely located and depicted in three-dimensional form via an integrated system of coordinates. Pfeil2000 also records all telegraphic data - so later on the operation can be reconstructed, right down to the smallest detail. The client-server architecture of Pfeil2000 additionally guarantees maximum system



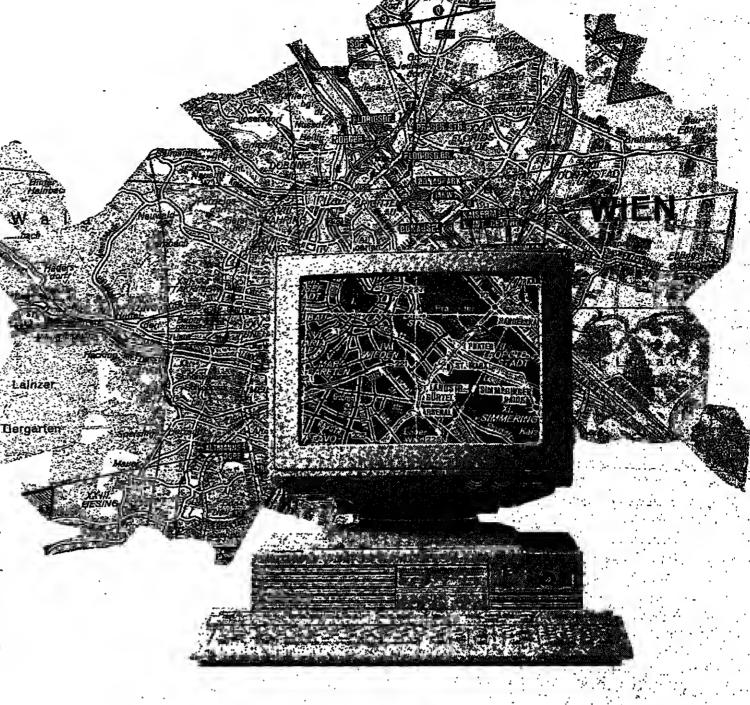
Example of synergy in traffic engineering

# Munich: Management system signals the way ahead for Munich North shunting yards.

Siemens and Siemens Nixdorf are looking to put German railways on the right track into the next millenium, with the introduction at Munich North shunting yards of what this forward-looking company eventually plans to implement over the entire rail network: "Computer Integrated Railroading", or the control and monitoring of rail traffic with up-to-the-minute computer technology. As part of the TS '90 transport control system, Siemens Nixdorf has assembled a powerful management system consisting of two H60 processing computers running on the BS2000 operating system, networked workplace servers and portable minicomputers for mobile data acquisition in

dialogue mode by radio. Linked with two H60 computers in the Deutsche Bundesbahn computing centre in Frankfurt, these form a powerful systems configuration for rapid and reliable cargo dispatch and freight monitoring of travelling and stationary rolling stock. Which train is arriving from where, at what time and with which wagons? When the train arrives, which wagons need to be put together to form new trains? Thanks to the latest computer technology from Siemens Nixdorf, railway dispatchers have immediate access to this information. All other aspects are managed by "Synergy at work". For completion of shunting operations, information is sent to the Siemens MSR32 process control system, which

works with an electronic interlocking unit to control and monitor the remote radio-controlled hump locomotive, clasp retarder, propelling system, signals and points. Trains are dismantled and reformed completely automatically. The automated system operating in Munich is setting the trend for the rest of Germany-and Europe. In-house operations are optimised, shunting operations are controlled effectively, and every link in the logistics information chain from consignor to consignee is covered by continuous monitoring. This means that better use can be made of rail transport capacity, moving German railways one step closer to the goal of "Computer Integrated Railroading" nationwide.

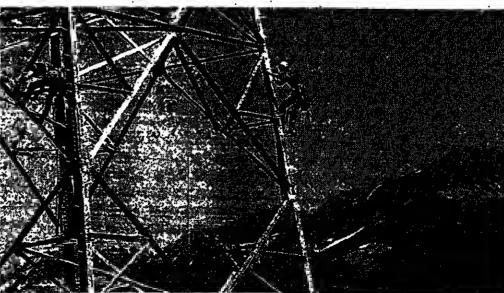


Example of synergy in power supply

# **Maria Enzersdorf: Lower Austria Energy Authority** plugs in to "Synergy at work".

Lower Austria Energy Authority (EVN) must organize power distribution with maximum economic efficiency and reliability. This is why EVN is now calling on the services of Siemens Nixdorf, as well as Siemens AG. Siemens Nixdorf's SICAD geographical information system will be used to manage the operation controlled at regional network centres by the SOSYNAUT Siemens software package (in the 100 kV network) and the Siemens SINAUT Spectrum EDP system (in the 20 kV network). These supply power to 670,000 standard charge clients and 3000 special users. The first step has been installation of detailed monitor displays for computers at regional network centres, replacing the previous, oversimplified picture of the supply area. Major changes - for instance, to switching configurations - involved a labo-

rious procedure of moving pins around a As a major regional electricity supplier, the chart. Now SICAD helps to update the current status, digitise the information and read it into the regional network centre system. EVN is planning to integrate SICAD and the regional network centre computers even more closely. The synergy will lie in changes to switching configurations, for example, being implemented directly in the SICAD system, and then being passed on outomatically to the computers at regional network centres. The data exchange between the two systems will also enable network calculations to be performed in the SICAD system, and provide all the information required for economically efficient and reliable network operation - from load distribution and forecasting preventive maintenance, right through to power consumption and fault statistics.



For further information, please contact: Siemens Nixdorf Informationssysteme AG UK 41, Otto-Hahn-Ring 6, D-81739 München

Synergy at work

Official

Surplus

Says Japan

Will Linger

By David E. Sanger

TOKYO - Five days after Pres-

ident Bill Clinton and Prime Minis-

Sozaburo Okamatsu said Thurs-

day that while the agreement calls

for a highly significant decrease in Japan's surpluses over the medium term, the singuishness of the Japa-nese economy will keep imports low for quite some time. He said medi-

um term meant around five years.
"My personal view is that in the

coming two years the imbalance will not decrease much," said Mr. Okamatsu, vice minister of the Ministry of International Trade and Industry, the highest career appropriate in the minister and manufactures.

pointee in the ministry and usually the most influential policy voice. "Frankly, in this calendar year the

He appeared to be interpret the

vague framework quite literally, noting that despite the U.S. insistence that an understanding exists about how to define the term

"highly significant," the Japanese did not believe they were commit-

ted to specific cuts.
"I don't believe that the present level of imbalance is normal, so we

should take comprehensive measures to correct it. Mr. Okamatsu

said. "But the U.S. says that means

it should go down to 2 percent of

our GNP, and there is no agree-ment on that at all. There is no

numerical target."
Following the agreement Saturday, several U.S. officials used the

2 percent of gross national product

figure, suggesting that it was part of an informal understanding.

imbalance will grow."



International Herald Tribune World Stock Index C. composed of 230 internationally investable stocks from 20 countries compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Swieden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stricks are tracked.

Asi	a/Pa	cific	E	urope	N. Americ	ça
Ap	prox. weig	ing 27		prox. weighting: 40%	Approx. weighting:	35%
130 Close	: 121.36 F	TEV.: 121.	05 Clo	98: 97.40 Prev.: 97.21	Closer, 94.97 Prev.: 1	4.32
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Utilities	108.51	108,38	+0.12	Plane Materials	101.77 101.54 +	0.23

Index, a booldel is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neully Codex, Francé.

Services 111.91 111.37 +0.48 Miscellaneous 101.29 101.57 -0.28

# Old Road to New Markets Trade With Russia Brings Back Barter

By Lawrence Malkin

NEW YORK - You are the marketing director of Crosstech Communications and are trying to sell a phone system to the Republic of Wollenska, which broke free from the Soviet orbit in 1990. Wollenska wants to revive its newly privatized petrochemical industry, but it lacks the foreign

currency to bring it up to Western standards.

Naturally the winning bid must pass muster with the Communications Ministry, which wants to build up Wollenska's electronics industry in the capital city of Segonia. But it must also be approved by the Development Ministry, which wants

to build up the petrochemical industry. Crosstech is about to propose manufacturing some of the components for the phone system in Segonia, when the marketing director of Brace Electronics, its principal competitor, is spotted in the bar of the Metropole Hotel, deep in conversational of the Metropole Hotel, deep in conversations of the Metropole Hotel Hote

the par of the Metropole riote, deep in conversa-tion with the vice president for operations of TransColumbia Gas, a Canadian petrochemical company already doing business in Wollenska.

This scene "gives you an idea of what it is like to do business in Russia now," said Frank Horwitz, who uses it in a workshop he organizes for business executives and students and at seminars run by government ministries and companies in Portugal

South Africa, Scotland and Canada.

Mr. Horwitz is one of several hundred East-West trade specialists now operating out of Vien-na, Hamburg, London and New York.

"I don't know what the central bank's regula-

tions are now in Moscow because they change so fast, but I can always find someone who does." Mr. Horwitz said. "It will take the Russians a generation to learn how to do it our way, but meanwhile, this is how you make money."

this is how you make money."

Mr. Horwitz is a countertrader who started off selling General Electric Co.'s high-technology products to Third World countries chronically short of foreign exchange. He now runs the grandly named Uni-Source Global Corp.

Its four-person office in New York's Greenwich Villege and the product of the product of the product of the contracted o

Village can be expanded to two dozen part-timers with Rolodexes in Cyrillic letters whenever a client comes in with a deal like Wollenska's.

This old-fashioned kind of trading makes economists unhappy, as their elegant models work better with money than with barter commodities such as rough diamonds, uncut timber, nonferrous metals or crude oil. Few are more distressed than Jeffrey Sachs, the Harvard professor who advises President Boris N. Yeltsin's government in Moscow. He

points out that there is a foreign-exchange market for rubles and that their value is listed regularly in this newspaper and others, making them a convertible currency - at least in theory.

But be does concede that tax evasion, export licenses and other remnants of the old regime belp produce a "locus of corruption that gives rise to a of screwy deals."

Last month, a cash shortage forced the Russian government itself to resort to barrer, its Luxembourg bank accounts frozen by a court decision

'It will take the Russians a generation to learn how to do it our way, but meanwhile, this is how you make money.' Frank Horvitz, an East-West trade

favoring a Swiss concern. Compagnie Noga d'Importation & d'Exportation, the Russian central bank said it was ready to pledge strategic and other minerals as collateral for its debts.

Even the largest multinational concerns admit rivately that they bave to barter to do business in ussia because, as James Searing, the partner specializing in Russia for the accounting firm of Ernst & Young, says, "Right now and for the foreseeable future it's a resource game there."

The objective is to build up the business in Russia and think about repatriating profits later. After a slow start, according to East European Investment Magazine published in New York, American investment in the region led that of all other countries last year, and 78 deals worth \$3.2 billion, or two-thirds of the U.S. total, were done in Russia, presumably because American companies are comfortable operating in markets of continental size.

PepsiCo, already well-known for its ability to turn its East European soft-drink profits into Russian vodka for export or Romanian furniture for its American Pizza Hut chain, recently used its rubles to buy decommissioned Soviet submarines and sell them for scrap in the West. McDonald's, meanwhile, is planting its hamburger profits in Russian real estate and agricultural suppliers.

The U.S. government is also under pressure to See BARTER, Page 15

# Franc Spends **Bastille Day Under Siege**

Compiled by Our Staff From Dispatches to 7.28 percent from 7.30 percel LONDON — A war of nerves in the Bundesbank's reporta

ground on in the European Mone- which is a key indicator of sho tary System's exchange-rate mecha-nism Wednesday as market players ignored Bastille Day in France and kept up pressure on the franc.
The French currency spent most

of the day around its recent low level against the Deutsche mark despite Bundesbank intervenuon to support it. Analysts said much now depended on whether the Ger-man central bank cuts interest rates

A rate cut would ease the dilem-ma felt by France, which as one London currency 1rader said "desperately wants to cut rates" to revive its limp economy but - bar-ring a devaluation or a withdrawal from Europe's currency grid cannot do so unless German rates

drop.
The mark opened at 3.4175 francs and hit a high of 3.4191 francs before slipping to 3.4165 late in the European day, its ceiling rate in the exchange-rate mechanism is 3.4305 francs. The mark was quoted at 3.4162 francs Wednesday afternoon in New York.

David Cocker, treasury adviser for Chemical Bank in London, said, "It's a question of wbether the Germans want an exchange-rate mecbanism to exist or not.

If they do not, he said, then France will pull out of the currency grid - a system of maximum and minimum exchange rates for nine European Community currencies --- because it "won't be prepared to push interest rates" up to the levels necessary to keep the franc's value within its prescribed range.

He said he thought Germany

was prepared to help, first by offer-ing oral support and intervention in the currency market and ultimately by cutting interest rates. But he said a reduction was unlikely to come from the Bundes-

bank policy-making council's meeting Thursday, as growth in Germany's M-3 money-supply measure was still above the Bundesbank's target range of 4.5 percent to 6.5 percent and German inflation was still ton high. Some also said that Wednesday's token decline of two basis points,

term money market rates, mad-lowering of official rates Thursd

Hermann Remsperger, chi economist for Germany's BH Bank, said, "To cut rates with 1 sole reasoning that it would he the French franc would not be the Bundesbank's tradition."

But the absence of an "instan rate cut will put the French franc-"a very precarious position." or London bank dealer said. The market was deeply divided

in its expectations for the French currency, however. While some expected a devaluation or a departure from the grid, "the other view is, they [France and Germany] will do reverything to maintain the mark-franc parity," one trader said.

President François Mitterrand gave the franc verbal support, say

ing in a television interview that France would defend it and thatthe franc-mark exchange rate was a matter of the highest priority within the European Community.

Traders said pressure on the franc was heavy and trading volviume large despite the French boliday. The Bundesbank confirmed it had intervened to support the franc. Dealers in New York said the Bank of France also had been. intervening directly in the market, after a period of intervening indirectly through Banque Nationale

And despite the holiday, traders said, French commercial banks bought small amounts of frances

early in the day, possibly currying out orders for the Bank of France.

The franc's plight was seen as similar to that of sterling before it. pulled out of the exchange-rate mechanism in September 1992; Britain at that time felt constrained by high German interest rates from easing credit to boost its economy and ended up tightening its policy. to defend the pound.

The Danish krone also was under pressure Wednesday, with the Danish National Bank intervening the currency's lower exchange-

See FRANC, Page 14

### INTERNATIONAL MANAGER

# Homosexuals Find Rise In Workplace Tolerance

By Pam Kruger New York Times Service

FW YORK — For seven years, Bruce Pfrommer, an advertising executive in Colorado Springs, Colorado, hid his homosexuality from colleagues. "I imagined the worst-case scenario of someone wanting to fire me," he said of the prospect of coming out of the closet, "and I thought: I Colorado adopted Amendment 2 to ban laws that protect the civil rights of homosexuals, Mr. Pfrommer said he felt compelled to act. He joined a local homosexual

rights group and literally overnight was named its spokesman. The next day, he told the president of the advertising agency that he was a homosexual and would be a leader in the fight to sured him that his job was secure, then told him her own se-

Authority

at work".

companies to overturn Amendment 2. She as saieguard their jobs.

Executives count on

their value to their

cret: She had voted for the initiative. "I think she still supports it," he said, "but she also supports me." Mr. Pfrommer is one of a growing number of executives who have found that their work environments have evolved enough for them to openly declare homosexuality without jeopardizing their positions. In part, their high-level jobs often protect them. Said Mr.

Pfrommer: "I wasn't taking into account my worth as an employee and that coming out wouldn't change that." George Doomany, a managing director at Bankers Trust in New York, agreed: "I'm confident of my abilities and that people respect my abilities. That might give me the confidence to be more open, whereas I'm not sure that someone in a clerical capacity would have that confidence. Rather than an executive being a limiting thing, it's

an opportunity." Homosexual workers appear to be finding tolerance in the workplace, but only a small fraction of the those in upper management are thought to be public about their orientation. Gay executives have traditionally been reluctant to acknowledge their sexual-

ity for fear it would derail their careers. Among prominent business people, David Geffen, chairman of the record and film companies that bear his name, is one of the few openly gay executives, having revealed his homosexuality last year. "The higher up you go, the deeper the closets get," said Ed Mickens, the editor of Working It Out, a New York-based newsletter about homosexual job issues.

Nonetheless, many gay executives are going public, largely, they See OPEN, Page 15

rope's ailing manufacturers. EC officials claimed that Japan tacitly agreed

se officials stressed a need to agree of

ground rules for revising import targets in general before agreeing to any specific figures.

A September date would leave Japanese antomakers little time to adjust their produc-

in the talks, which began on Monday, was that Europe's car market is in desperate shape.

By Robert D. Hershey Jr.

New York Times Service
WASHINGTON — American shoppers

increased spending at retail stores for the third straight month in June while prices for

these and other consumer purchases re-

mained unchanged, government reports

The Labor Department published its sec-

oud highly favorable inflation report in two

days. The consumer price index was stable

Inflation news leads to broad-based gains on

showed Wednesday.

Wall Street, Page 14.

# Auto Targets Elude EC and Japan

By Tom Buerkle

International Herald Tribute

BRUSSELS — European Community negotiators failed Wednesday to win an agreement to further reduce imports of Japanese cars into the depressed EC market, disappointing Eu-

on the need for a bigger cut in imports in 1993 than the 9.4 percent reduction agreed in April, but they said that a formal accord was not likely before September.

tion and shipment schedules for this year. As a result, officials and automakers said Japan was likely to see a significant jump in its share of the European market this year, and face strong pressure to compensate by accepting new restraints running into 1994 and perhaps beyond.

The only thing that the negotiators agreed on

Japanese officials acknowledged that overall car sales in Europe this year would drop by far more than the 6.5 percent forecast that was used as the basis for the April agreement. Robert Verrue, the chief EC negotiator, said

Japan's acknowledgement of the plunge in sales implied that it would eventually accept bigger export reductions. The negotiations are taking place under a 1991 framework agreement that will gradually remove restrictions on Japanese imports in five EC countries by 1999. That agreement includes

an understanding that both sides will share in market ups and downs in the interim. Mr. Verme said car registrations have fallen by as much as 19 percent in the first six months of this year, and that the Community now is predicting a decline of up to 16 percent for the full year. That means a drop of slightly more than 2 million vehicles from the 1992 total of

13.9 million. He refused to say if the Community would insist that, as under the April agreement, Japan's exports should be reduced at a rate greater than the fall in the overall market.

On Tuesday, the department reported that prices received by U.S. producers fell three-

tenths of 1 percent in June. This gauge is the narrower one since it does not include im-

solid confirmation that the economy contin-

Analysts said the latest batch of data was

combines with subdued inflation to require

neither lower nor higher interest rates from the Federal Reserve Board

"The Fed is on hold," said Darwin L. Beck, an economist for First Boston Corp., perhaps "for the rest of the year and even well into

Such sentiments helped fuel a bond market rally, pushing down yields on U.S. Treasury bonds to record low levels. The bellwether 30-

year government bond was up 23/32 point, at

July 14

**€CU** 744-8

U.S. Consumer Prices Steady in June

ported goods or most services.

ese officials were less pessimistic and refused to commit themselves to new cuts.
"We understand the market is worse" than in April, said Noriyasu Yamada, an official at the Japanese mission to the Community, "but not so bad as explained by the commission."

Other Japanese officials indicated that Japan was irked by the EC request to reopen talks on

import levels only weeks after striking the pre-Even with tighter export restraints, Japan is

gaining market share because its automakers are boosting production at new European plants, the so-called transplants.

The automakers' association expects trans-

plant production to grow to a little more than 450,000 vehicles this year from just over 300,000 in 1992. That more than exceeds the drop of about 100,000 in imports agreed to m April, to about 1.089 million.

Japan's automakers concede the political need to reduce exports further, but they want to

107 11/32, where its yield was just 6.56 per-cent, down from 6.61 percent on Tnesday. The fall in interest rates also pushed stock

prices higher and helped depress the dollar.

The rise in retail sales, which account for

about one-third of economic activity, was four-tenths of 1 percent, to \$171.86 billion,

the Commerce Department said. This by it-

self would bave been considered lackluster

but sales for April and May were both revised

upward, each by three-tenths of a point.
That means retail sales for the spring quar-

ter were 1.5 percent ahead of those in the first

three months of the year, when consumers went into a post-holiday slump.

with a 1.2 percent sales spurt as strength continued to shift into durable goods, those designed to last three years or more.

The automotive sector paced the June gain

# A Fourth Devaluation vious agreement in April. They said Japan wants to establish clear guidelines for monitoring the market and adjusting imports before agreeing to any figures for 1993. Is Forecast for Peseta

Bloomberg Business News MADRID — The peseta seems

to be headed for its fourth devaluation in a year, traders and analysts said, as investors question Spain's ability to keep interest rates up with its economy at rock bottom.

"There's a big crisis looming for the peseta," said Michael Burke, an economist at Citibank in London. "It's highly likely that Spain will be forced to devalue for a fourth time. and I wouldn't even rule out that it will eventually give up the struggle and call it a day in the European exchange-rate mechanism."

The Deutsche mark has risen more than two pesctas against the Spanish currency in the past week to stand at 78.72 pesctas late Wednesday. Traders expect the mark to reach 80 pesetas soon, bringing it close to its ceiling level in the European currency grid of

80.85 pesetas. "The choices are really limited when the economy is shrinking, unemployment is rising and interest rates are still high," Peter Wheeler-King, chief foreign-exchange trad-er at Banesto in Madrid, said, "The question isn't whether the peseta will be devalued again, but how many devaluations Spain can go for without losing investor confidence completely.

As Prime Minister Felipe González announced his new cabinet this week, including Pedro Solbes

as finance minister, the Finance Ministry revised its growth fore-casts for 1993. Gross domestic product. previously predicted the grow I percent, is now expected to shrink 0.5 percent. In the first quar-ter, GDP fell 1.1 percent.

With no signs of recovery in sign, until 1994, unemployment running at record levels and a stubborning inflation rate, Mr. González

and his new cabinet face an almose impossible task, analysts said.

Moreover, Mr. Gonzalez is now leading a minority government, alter both the Catalan and the Basque nationalist parties snubbed his offer of a coalition. His Socialia Party won a fourth term in office in elections June 6 but lost its absort lute majority.

badly positioned to enforce a strict gent liscal and economic policy.

Mr. Burke at Citibank said.

To cut unemployment and cuts inflation, the government must achieve a social pact with the trade unions and employers, analysis said. They said wages, which have risen an average of about 7 percent this year, have been the major con-tributor to the inflation rate, which

stood at 4.9 percent in June. With the unemployment rate at t6.6 percent in June, according to the Labor Ministry - the Econos See PESETA, Page 14 7

# last month after edging up only one-tenth of l percent in May, a two-month performance that was the best since February and March

**CURRENCY & INTEREST RATES** 

| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,00 a: To buy one pound; b: To buy one dollar; \*: Units of 100; H.G.; not quoted; N.A.; not

Sources: ING Bank (Ameteriam): Industric Bank (Brusses); Banco Compensiale Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Rayal Bank of

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# Dell Sees Loss, Stock Plunges

Wednesday it expected to report a quarterly loss for Sales are up in the United States and Asia but weak the first time in its history, sending its stock price in Western Europe, Mr. Dell said. He said the compa-It was a surprising joit from the maker of personal

computers, one of the modern wonder stories of recent weeks. American business because of its phenomenal growth in the last decade. Analysis had projected weak earn-

attributed to \$85 million in restructuring charges and and costs associated with delayed and canceled comother expenses, should come to \$69 million for the puter-notebook projects. three months that end August 1. Dell's stock closed down \$3,375, at \$15,875, in overthe-counter trading. The shares traded as low as \$13.875, a 52-week low and 72 percent below its 52-

week high of \$49.875 on Jan. 27. Dell said that if the projected loss occurs, it could cause the company be in default on certain financial covenants in its revolving loan agreement with its

Thomas J. Meredith, chief financial officer, said he was negotiating with the lenders to resolve the problem.

"I'm very sorry for the large hits we are taking on the bottom line," said the chairman, Michael Dell. The overall tone of our business remains strong." The price wars that have produced a mass market for personal computers can be traced to Dell. This resumed profit growth by the fourth quarter. upstart maker, more than any other company, set the

standards for price and customer service that by last AUSTIN, Texas - Dell Computer Corp. said year could no longer be ignored by larger rivals. ny is not considering layoffs, which have been announced at other personal-computer companies in

The pretax charges, which should range from \$75 million to \$85 million, primarily stem from a restructuring of operations to consolidate several common ings but not a loss.

Dell said the loss for its second quarter, which it functions. Also contributing are inventory writedown.

> Earlier this year, the company canceled most of its notebook line and wrote off \$20 million in develop-

> ment costs. The pretax charge follows a management review that showed the company required an overbaul.

> "Clearly, Michael's going to be writing off the kitchen sink," said David Wu, a computer analyst for S.G. Warburg & Co. He added that if the Mr. Dell "takes a restructuring charge that is impressively big and takes steps to impose a cost structure to reverse a situation where he doesn't seem to have any idea what's going on, I think in nine to 12 months, he can turn around.

> Revenue for the quarter should come in at \$710 million to \$730 million, up 55 percent to 60 percent from the same period a year ago, the company said. Mr. Dell said the company should be able to report

# Club Snubs **Bloomberg** For Reuters

TOKYO - The Reuters news agency was admitted Wednesday to the press club of the Tokyo Stock Exchange. but another foreign agency, Blcomberg Business News of the United States, was denied membership, said David Butts, Bloomberg's Tokyo bu-

Bloomberg had campaigned to open access to the club. Foreign news media are just beginning to gain entry to the press clubs that cover Japan's various government ministries and business organizations and benefit from preferred access to official news sources.

"Bloomberg fought and achieved an opening of the clubs, and they are now pun-ishing us for breaking up their cozy system." Mr. Butts said.

July 14

The Dow

3300

**NYSE Most Actives** 

**AMEX Most Actives** 

NYSE Dlary

**Amex Diary** 

**NASDAQ Diary** 

High Low Lost Che

24% + % 14% - % 20% + % 12% + % 12% + % 12% + % 12% + % 137% + % 25% +

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Daily closings of the Dow dones industrial average

Stocks and Bonds

Compiled by that Stalf From Disputches NEW YORK - Stocks rose Wednesday, boosted by good inflation news that sent bond prices surging, but equities ended below their best levels of the day and

bank stocks were weak. The Dow Jones industrial average gained 27.11 points, to 3.542.55, but the blue-chip indicator slipped from

N.Y. Stocks

its high of more than 3.550. Rising issues on the New York Stock Exchange outnumbered decliners by a

7-10-2 ratio. The impetus for the rally was the government report that consumer prices were unchanged in June. The news coupled with a favorable report on wholesale prices Tuesday, squelched fears of inflation that had been building in previous months. Without inflation pressures, analysts foresaw little chance the Federal Reserve Board would

raise interest rates. Accordingly, bond yields fell across the board. The beliwether 30-year Treasury bond returned 6.56 percent, down from 6.61 Tuesday, while 10-year notes were paying 5.70 percent, down from 5.74. The three-month Treasury bill was discounted at 2.99 percent, down from 3.03, providing a yield of just 3.06 percent.

As inflation concerns receded. gold prices fell, with the August fu-tures on the Commodity Exchange dropping \$3,10 a share, to \$391,40.

Bank stocks drew attention for a lackluster performance. Frank Barkocy at Advest Inc. said although bank earnings for the second quarter have been slightly above expectations, many banking issues have fallen. J.P. Morgan fell 1½ to 69%. Chase Manhattan dropped % to 314. Wells Fargo slid 3 to 107% and Citicorp lost ¼ to 31.

Mr. Barkocy said: "The bank group was weak from mid-April through May, then speculative money appeared to buy the lows. we're seeing selling iolo

Repsol paced the New York Stock Exchange actives, up is to 24%. The Spanish government reduced its stake in Repsol. a Madrid-based oil and gas concern, to 40.5 percent from 41.1 percent following the second conversion of the company's convertible-bond

Home Shopping Network fol-lowed, off % to 14% It received a merger proposal on Monday from QVC, a rival owned by a large Home Shopping Network shareholder. Liberty Media. QVC dropped 1/2 to 70% and Liberty fell

In over-the-counter trading. Mathsoft lost a third of its value. falling to 6 from 9. The software ompany predicted a quarterly loss

on Tuesday. Wang led the American Stock Exchange actives, unchanged at %. (Kuight-Ridder, UPI)

# p FRANC: Currency Under Siege

rate mechanism limit of 3.4624 kro-

ner to the Dutch guilder.
The Danish currency later fell below its prescribed floor against the guilder in New York on selling by U.S. hedge funds and specula-tors, according to New York for-eign exchange dealers. Nikki Nelson-Smith, an analyst

at Midland Montagu in London,

Foreign Exchange

said that if the Danish central bank decides to devalue the krone, pressure might increase on the franc. Sterling and the Swiss franc, meanwhile, have benefited from the market's emphasis on the exchange-rate mechanism, with both currencies gaining on their per-ceived status as safe havens outside

the mechanism. Sterling was also helped by Wednesday's lower-than-expected inflation figure of 1.2 percent for P: the 12 months ended in June and pi the previous day's strong data on di manufacturing output in May.

ight by the tension in the European currency grid, was mostly lower as low U.S. inflation removed any immediate expectation of higher interest rates, dealers said. It closed in London at 1.7155 DM. down from 1.7215 DM Tues-day, and at 107,40 yea, down from 108.15. The U.S. currency also eased to 5.8605 French francs from

5.8625 and to 1,5105 Swiss francs

from 1.5170. Sterling was quoted at \$1.5015, up from \$1.4970.

Later in New York, the dollar fell to 1,716) DM from 1,7185, and it slipped to 107, 125 yen from 107,950. Against the French franc, it fell to 5,8595 from 5,8683, while dropping to 1,5110 Swiss francs from 1,5177.

The pound rose to \$1.5035 from \$1,4978 on Tuesday. (Reiners, AFX, Bloomberg, AP)

PESETA: Fourth Devaluation in a Year Is Forecast Continued from Page 13

my Ministry put the rate several points higher, at 21.7 percent in May - any cuts in social benefits will be difficult to push through. Even though the unions have indicated willingness to enter negotia-tions on a social pact, they will be unlikely to make concessions on wages if benefits are cut.

"How can you reduce the budget deficit without making cuts in

those areas?" asked Nikki Nelson Smith, currency analyst at Midland Global Markets. "It may well be an impossible task to achieve."

Despite three devaluations since

mercial rates remain high. Banco Popular, for example, charges rate of 13 percent on mortgages. It Despite three devaluations since Britain, prospective house-buyers September. Spanish interest rates can get a five-year fixed-rate mort-

Spanish banks have rushed to

2

rope. The benchmark interest rate, the marginal rate on securities repurchase certificates, has dropped from 13 percent to 11 percent since the latest devaluation May 13.

Mr. González's commitment to the EC and the exchange-rate mechanism could be stretched to its limit by the need to lower interest rates, analysts said.

### Dow Jones Averages EUROPEAN FUTURES GERMAN GOVERNMENT BUND ILIFFE) DM 258,609 - pes of 100 pcf Sep 94,21 95,75 94,31 +0,21 Dec 94,34 94,4 +0,21 Est, volume: 59,871. Open Infarest: 176,687. Food 737 742 722 745 738 744 781 739 746 755 748 Standard & Poor's Indexes Industrials Low Last Settle Ch's COFFEE (LCE) **NYSE Indexes** BRENT CRUDE DIL (IPS) U.S. dellars per harreline NASDAQ indexes Stock Indexes AMEX Stock Index Dow Jones Bond Averages 107.59 104.43 110.51 + 0.13 -- 0.03 + 0.30 Spot Commodities Financial Market Sales N.Y.S.E. Odd-Lot Trading Dividends Per Amt Puv Re 8 INITIAL Est, volume: 721, Open Interest; 13 JAMONTA BURDMARKS (LIFFE) DANI million - pis of 100 pcf See 94,00 93,00 94,02 Jon 94,00 94,07 94,07 See 94,77 94,70 94,71 Dec 94,50 94,50 94,50 Jun 94,48 94,46 94,46 Jun 94,36 94,20 94,20 Sep 94,20 94,20 94,20 Est, volume: 62,400, Open interest: LONG GILTE; (LAGO, Open interest: STOCK STOCK SPLIT 18 A. ... B 11111 Est, volume; £4.00, Open in LONG GILT (LIFFE) LSU908 - Nts & 32nds of 100 pct

# U.S. / AT THE CLOSE

### **Marion Merrill Dow Announces Cuts**

KANSAS CTTY, Missouri (AP) — Marion Mertell Dow Inc., the pharmaceuticals concern said Wednesday it would cut 13 percent of its workforce, partly in a reflection of pressure to maintain profits in the face

of growing criticism about prices.

Most of the up-to 1,300 full-time job reductions will be in the United States, including a plan to eliminate about 275 of the current 1,500 sales representatives and managers, the company said. Marion Merrell Dow's corporate parent, Dow Chemical Co., said the restructuring charge would reduce its earnings by about \$81.8 million.

### **Bowater to Cut Newsprint Output**

DARIEN, Connecticut (Bloomberg) — Bowater Inc., the largest U.S. newsprint manufacturer, said it would cut annual production 16 percent. The reduction would lower the total amount of newsprint manufac-nated in North America by about 1.5 percent.

# ITT Studies Changes to Trim Costs

NEW YORK (Bloomberg) — ITT Corp. said a study of its support operations initiated June 1 could result in measures saving the company

operations initiated time I could result as a measure of the million a year after taxes.

About 4,000 of ITT's 106,000 employees are affected, and some jobs will be eliminated at company headquarters in New York; in Secancus, New Jersey, and at the headquarters of its eight major units.

### Regional Banks Report Earnings

CHICAGO (Bloomberg) — First Chicago Corp., the nation's 13th-largest bank holding company, said second-quarter earnings jumped almost five times, to \$169 million, on increased revenue from credit cards

and securities trading

Meanwhile, in Winston-Salem, North Carolina, Wachovia Corp. said second-quarter earnings rose 13.4 percent, to \$123.1, million from the same period a year earlier. It cited increased fee income.

# Schwab Quarterly Earnings Up 71%

SAN FRANCISCO (Bloomberg) — Charles Schwab Corp. said second-quarter earnings surged 71 percent, to \$31.6 million, led by growth in revenues from commissions.

The biggest U.S. discount broker said it expected third-quarter financial results to be better than last year's:

### Genentech's Profit Climbs Sharply

SOUTH SAN FRANCISCO, California (UPI) - The biotechnology giant Generatech Inc. reported second-quarter earnings of \$10.4 million on Wednesday, a threefold increase from \$3.4 million in the same period a year ago. The company said rising product sales and contract revenues helpd boost its inomee. It was the second straight quarter of major earnings gains for Genentech, which is 60 percent owned by Roche Holdings Ltd.

### For the Record

CS First Boston Group announced that Archibald Cox Jr., president of The First Boston Corp., submitted his resignation.

Sundstrand Corp. reached an agreement for AlliedSignal Inc. to buy its Data Control Division for \$195 million. (Knight-Ridder) Sony Music Entertainment has acquired CAMI Video, a production and distribution arm of Columbia Artists Management, which represents

many musical superstars.

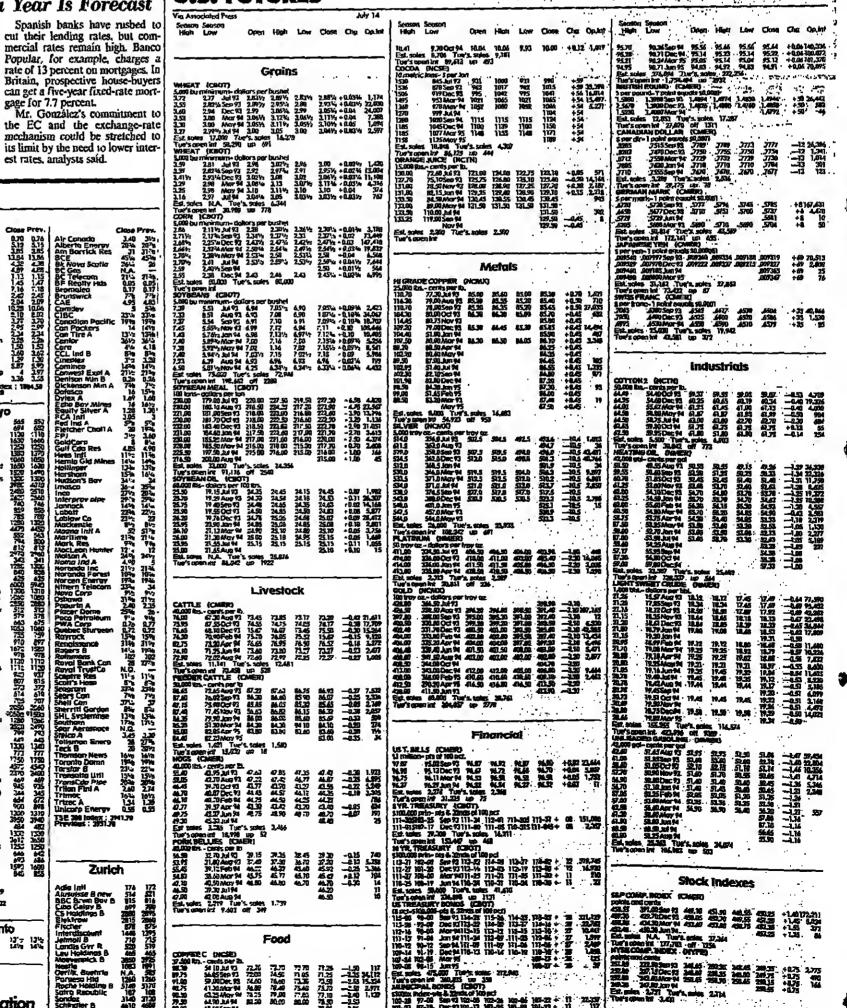
(NYT)

President Bill Clinton picked Stanley Tate, a Republican and real estate developer, to be chief executive of the Resolution Trust Corp. (NYT) Gannett Co., which operates in the newspaper, radio and television field, said it earned \$113.65 million in the second quarter, compared with earnings of \$97.84 million in the same period a year ago. (Bloomberg) Rubbermaid Inc. said second-quarter earnings rose 16 percent to \$50.6 million as the nation's largest housewares company introduced an average of one new product a day.

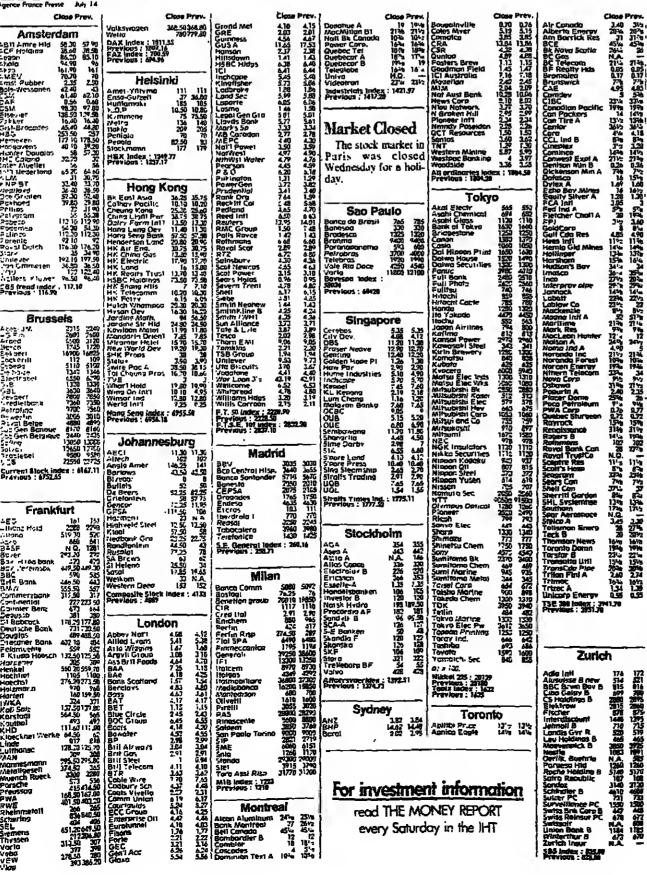
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# **WORLD STOCK MARKETS**



Montrea

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every Saturday in the IHT

Continued from Page 1
inquiries by the Serious Fraud Office into
Gooda Walker. Gooda Walker had gone into
voluntary liquidation — similar to bankruptey
— in 1991. Its principals, Tony Gooda and
Derek Walker, were replaced by a court-appointed administrator, Ken Randall, a former
regulator at Hough.

Documents turned over to the fraud office by Mr. Randall were the basis of the criminal investigation, officials said.

Lloyd's said that it was continuing its own investigation into Gooda Walker.

"in view of the complexity of the information having to be examined, these enquiries are not

speedily as possible consistent with a thorough approach." Lloyd's announced in a statement.

regulator at Lloyd's.

great degree on its ability to settle litigation brought by the names, and the criminal investigation will almost certainly reduce the chances of the names being willing to settle their lawsuits quickly.

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LLOYD'S: Prosecutors Open Criminal Investigation of Gooda Walker

Last month Lloyd's amounced that it had incurred losses of \$4.3 billion in 1990, the most recent year for which full results are available under its system of waiting three years for all claims to be tallied. The results for 1990 fol-

Lloyd's is now seeking to attract new financ-

"Lloyd's and the SFO continue to cooperate closely."

Last month Lloyd's announced that it had incurred losses of \$4.3 billion in 1990, the most recent year for which full results are available under its system of waiting three years for all

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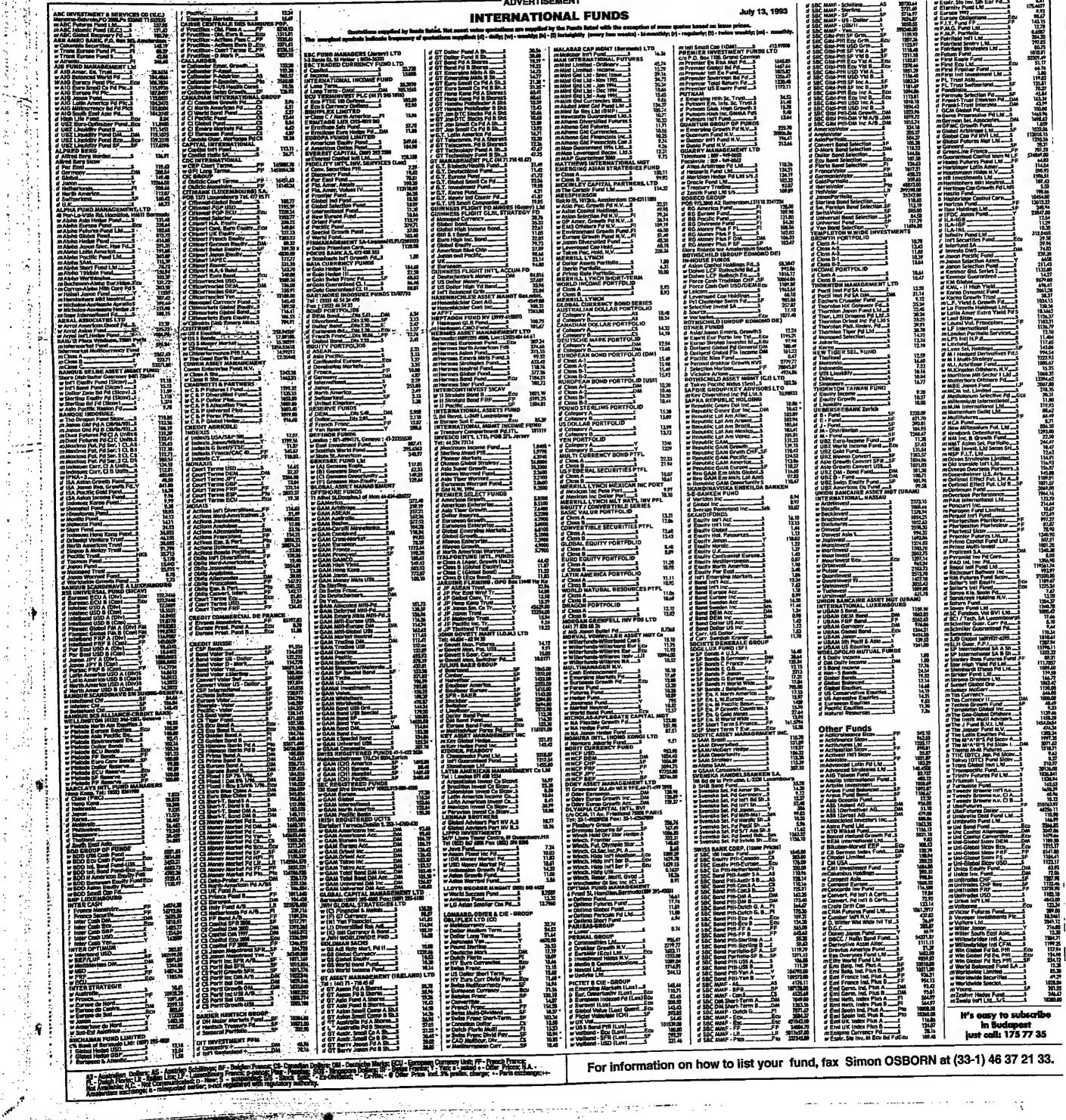
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# British Aerospace Regains Favor Investors Warm to Management's Plan for Company

By Richard W. Stevenson

New York Times Service

LONDON — By rights, these should not be happy times for British Aerospace PLC. Britain's dominant military contractor and a major exporter of fighter planes, missiles and ordnance. Spending on weapons is being reduced all over the world; Britain itself recently said it would slash the defense budget by

\$2.25 billion, or more than 6 percent. Yet British Aerospace is riding a wave of newfound investor confidence that has sent its stock up sharply since last fall.

Investors and analysts have been won over by a new management team led by John C. Cahill. The team has shown its ability to guide British Aerospace safely not just through the downturn in military spend but out of a series of other problems. Those problems include weakness in its small-aircraft business, years of losses at its Rover automobile subsidiary and a cyclical down-

turn in its commercial real estate unit. "The new management very rapidly recog-nized the scale of the problems and made provisions to deal with them," said Keith Hodgkinson, an analyst at Lehman Brothers in London. "The stock has performed well because the management by and large has delivered on recognizable solutions to the

British Acrospace's shares closed Wednesday at 418 pence (\$6.24) on London's stock exchange. That was below their recent high of 429 pence but still almost four times their low of 107 pence in September 1992, when the market seemed to judge the company a goner.

Many analysts say the price rise is not yet over. Mr. Hodgkinson said the shares could

### INTERNATIONAL STOCKS

reach 600 pence by 1995, given the earnings improvement he sees coming. Nick Cunningham of Société Générale Strauss Turnbull in London said a share price of 500 pence in the short run — and perhaps 1,000 pence in the long run — is not unrealistic.

"There's still enormous upside." Mr. Cunningham said.

The turnaround began last fall, when Mr. Cahill, who took over 14 months ago, moved to stop the losses in the company's regional aircraft unit, which makes short-range commercial jets and turboprops. He set aside £750 million (\$1.11 billion) for slimming down the unit, and he reached an agreeme to place it into a joint venture with Taiwan Aerospace Corp.

Analysts said the restructuring of the re-

gional aircraft operations should insulate the company from further losses. Last year, the division was largely responsible for British Aerospace's swing to an operating loss from an operating profit in 1991. After the regional-aircraft restructuring and other charges, British Aerospace last year had a loss of £1.2 billion on sales of £9.98 billion.

its Rover autogunit has always been burdened by a high cost structure. But in the five years since it acquired the carmaker from the British government, British Aerospace has improved efficiency to the point that Rover could turn a profit this year as sales pick up with the end of the British recession.

Perhaps the biggest question hanging over British Aerospace is whether it will remain independent. Last week, it broke off prelimi-nary talks with General Electric Co. of Britain, which is unrelated to the company of the same name in the United States, about combining their military contracting businesses. Analysts said those talks may resume. British Aerospace also is negotiating with Matra-Hachette of France about merging their mis-

But for now, analysts expect British Aerospace to follow a strategy like that of General Dynamics Corp. in the United States: Wring profits out of core businesses and sell every-thing else when the price is right.

vear earlier. The core or underlying inflation

tion in May.

Major said in a speech to a tourism conference. "The recovery is in its infancy, but it is growing daily." The statistical office said the retail price index had declined 0.1 percent in June from May and was up 1.2 percent from a year earlier. That was the lowest 12-month in-Mr. Major's government. flation figure since February 1964.

U.K. Inflation Fell

when it was also 1.2 percent. The June figures compare with a rise of 0.4 percent in May, when the index was up 1.3 percent from a

# To 1.2% in June; Lowest Since 1964 rate, which factors out fluctuations

LONDON - Britain's annual in the cost of bome mortgages, was inflation rate dropped in June to unchanged at 2.8 percent, the low-1.2 percent, the lowest in almost 30 est it has been since the figure beyears, the Central Statistical Office gan to be calculated in 1975. The statistical office said the inreported Wednesday.

flation figures were low because of The news was welcomed by Prime Minister John Major, who the early start of summer sales, esjust a day earlier had hailed a 2 pecially of clothing and household goods. Low seasonal food prices percent surge in industrial producalso helped.

The Conservative Party has been "All the indications are that we under fire for running the economy are witnessing a recovery." Mr. hadly. In particular, the Conservatives have been running third in opinion polls for a special parliamentary election in Christchurch. in southern England, on July 29, and there has been concern that a poor showing in Christchurch could damage or even bring down

> With output up strongly, inflation falling and mortgage interest rates at their lowest level since the late 1970s, the government is hoping its standing among voters will

> > (Reuters, Bloomberg)

# Very briefly:

Sources: Reulers, AFF

Investor's Europe

Index

HEX

MIB.

SBS

CAC 40

**CBS Trend** 

Stock Index

FTSE 100

General Index

Affaersvæeriden

Stock Index

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Financial Times 30 2:220.90

FTSE 100 Index

. Viag AG will take over Bayernwerk AG after the full sell-off of the diversified Bavarian state industrial concern; the state holds 58.3 percent of Bayernwerk, regional governments 2.9 percent and Viag 38.8 percent. • Finland's gross domestic product fell 11 percent in the two years of 1991 and 1992: the government statistics body said GDP dropped 4 percent in 1992 and 7.1 percent in 1991, which were revised figures because industry output in 1992 had grown by less than earlier estimated.

• Istituto per la Ricostruzione Industriale said its telecommunications units SIP SpA and Italcable SpA will be merged by the end of the year. to be known as Telecom Italia; SIP is a local telephone operator and Italcable an intercontinental one, which includes the satellite company, Telespazio Spa and the sea communications encern SIRM SpA.

 British Telecommunications PLC was oversubscribed in its public offer of shares, SG Warburg Group PLC said.

Quelle Gustav Schickedanz KG said 1992 nei profit fell 41 percent, to 146 million Deutsche marks (\$84.9 million) from the year earlier despite a 3.6 percent increase in sales; Chairman Klaus Mangold said the drop stemmed from heavy investments and expenses resulting from the sale of

# OPEN: Office Tolerance Increases BARTER: Trading With Russia

### Continued from Page 13 ty, because of the proposal by resident Bill Clinton to lift the

an on homosexuals in the military d the increasing clout of the gay zhts movement.

There is a sense that things are anging with Clinton and that ople are more understanding w," said Maureen O'Leary, a airwoman of Gay and Lesbian rganizations Bridging Across the md, a San Francisco-based U.S. ies, including New York, have ordi-twork of bomosexual profession-nances prohibiting discrimination groups.

"People are definitely feeling ich more comfortable now," said rginia Smith, the co-president of : Harvard Business School Gay d Lesbian Alumni Association. e estimated that a majority of the ociation's 300 members were exitives and 75 percent of those. ve revealed their orientations to ne co-workers

es, like Mr. Pfrommer. At the they were homosexual, suest of his boss, he told each ployee at his agency, Graham vertising, on the same day.

Authority

at work".

# "I didn't send a notice around the

office building announcing it," said Stephen E. Herbits, an executive vice president of Joseph E. Seagram & Sons Inc. in New York. "But the people I work closely with — the chairman and senior officers - all know. Just like a heterosexual will discuss their personal life, I will, too. And I'll use the right pronouns."

There is reason for gay workers to be cautious. More than 100 citagainst bomosexuals, but only eight states - Minnesota; Wisconsin, Massachusetts, Connecticut, Vermont, New Jersey, Hawaii and California — have such laws.

Many homosexuals believe there is a so-called glass beiling for them at some corporations. Ms. Smith said she knows of managers at some Fortune 500 companies none of which she would name -Coming out of the closet is a who have found themselves off the nificant event for some execu- fast track when word leaked out

Yet corporate attitudes are changing, and many professionals

Continued from Page 13 officially sanction barter trade, which is not a favorite of tax and customs agents. Senator James Exon, a Nebraska Democrat, got American wheat and other grains never would bave gotten to Mos-with oil and minerals. The study. likely to be favorable, is expected

to be released shortly. New tricks now are the order of the day, in part because the Rus- world-class skills to sell and are sians themselves do not yet trust their own evolving system and dently. They bank profits abroad want to squirrel some of their for consumer goods that are diswealth offshore.

For this, the United States is a ers through their factories. favorite location, said Harald Malmgren, a former U.S. trade official who serves as a consultant to American corporations, Embryo capitalists from the former Soviet Union walk into his Washington office with money they want to deposit in an American bank to set up an American corporation. which if it employs enough people will give them the right to a U.S.

residency card. st, however, break the news who go public say their superiors have been relatively tolerant.

also prefer American banks hecause they remember that after the Soviet crackdown in the Baltics, the banks in Sweden and France gave their money to the Soviet state. In Congress to order a Commerce De- the United States, a demand like partment study on the feasibility of that would have dragged through having the former Soviet states buy the courts for so long the money

> Some Russians represent the formerly closed cities of the militaryindustrial complex, which have accustomed to operating independently. They bank profits abroad tributed directly to their own work-

In one deal with the remnants of the Soviet military-industrial complex, Russia wanted to buy into Motorola Corp.'s worldwide cellular telephone network, which bounces its signals off satellites, Motorola makes the satellites, and 21 of them will be sent aloft by Russia's Krunichev Enterprises on three Proton rockets.

The network is being organized McDonnell Douglas Corp. which wants to learn more about "They still want to work in Russia, but it makes them feel safer to the launch business from the Rushave a green card," be said. "They sians.

# Saab Guards Niche With New 900 Model

STOCKHOLM - Saab Automobile AB plans to roll out a redesigned 900 series model next week that it hopes will ensure its future as a niche carmaker. Some industry analysts ques-

tioned, however, if the car can achieve the goals set by Saah's joint owners. General Motors Corp. and Investor AB.

On Wednesday, a five-door version of the family-sized 900 is to be launched, echoing in a smaller version the aging 900 it replaces. It will be based on a GM chassis developed six years ago for GM's Opel Vectras and Vauxhall Cavaliers. Keith Butler-Wheelhouse,

Saab Auto's managing director. said using the Vectra chassis cut development time and costs, allowing Saab to break even perhaps as soon as next year. GM said it intended to move

analysts cautioned that the market has moved on since the Vectra arrived, and they said the 900 may struggle to match the ride and handling of its competitors. "The real issue for General

level luxury car" segment. But

Motors is to be able to charge a premium in main continental markets," said Adrian Waters of Ludvigsen Associates Ltd., a consulting firm in London.

"It must be distanced from the upmarket Vectras," he said. But, like other analysts, he said he was unsure whether the new 900 could woo customers away from Audi AG, a unit of

Volkswagen AG, or Bayerische

Motoren Werke AG, as Saab's

marketing plan envisages. Stig-Goran Larsson, head of product development, said Saab would offer a six-cylinder engine, in contrast to its tradithe smaller Saab into the "entry-tional four-cylinder motors.

### **Bottom Is Seen for Germany** Industrial output in western Ger-

Bluemberg Business News

HAMBURG - Economic indicators suggest that Germany's recession is bottoming, one of the nation's major economic institutes, HWWA, said in a monthly report.

"Since the beginning of the year, the decline in industrial output and incoming orders has come to a halt," it said, "And foreign orders are actually on the increase."

many rose a preliminary 1,2 percent in May from April, compared with a monthly drop of 1.0 percent in April. West German manufacturing orders were up 3.8 percent in May from April. compared with a 1.1 percent increase in April.

Long-term interest rates have: come down substantially, but short-term rates are still too high, the institute said.

Wednesday a resume NASDAQ prices as of 4 p.m. New York time. is list compiled by the AP, consists of the 1,000 ret traded securities in terms of dollar value, it is an invalid to the property of the propert

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The state of the s

# 4 Arrested At Kirin in Payoff Case

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TOKYO - Police said Wednesday they have arrested four executives of Japan's leading brewery for allegedly paying \$278,000 to eight racketeers to assure a peaceful any nual meeting of shareholders.

Eight alleged racketeers also were arrested in the case involving Kirin Brewery Co., which produces about half of Japan's boer, said a police official

Japanese companies, which for image reasons seek tranquil share-holder meetings, have been plagmed by extortionist called sokaiya. They buy a few shares to gain admission and threaten to ask embarrassing questions or disrupt meetings. Companies also sometimes hire

sokaiya to monopolize the floor at shareholder meetings to preve questions from investors. Both practices are illegal. The police official said those ar-rested included Tai Tanaka, 56, who headed Kirin's administrative

March 30 meeting, and three members of his staff. In recent years, major companies have held their meetings on the same day so extortionists cannot attend them all.

department at the time of the

Yasushi Yamamoto, vice president of Kirin Brewery, said: "The news came as a surprise, and we don't know details about the case. Since the matter is being investigated by authorities, we can't make any further comment."

(AP, Bloomberg)

# The Vietnam Energy Bust So Far, Wells Have Come Up Empty

SINGAPORE - Victnam, viewed as a great frontier for oil and gas development when it opened the door to foreign explorers five years ago, is shaping up as a great disappointment for the energy industry.

Of the 26 wildcat exploration wells drilled off Vietnam's coast since 1988, just one holds gas reserves of a size that would make development commercially feasible, industry analysts said. As a result, oil and gas companies have quietly begun to reassess their commitment to the country.

So far, British Petroleum PLC is the Western company to make a discovery in Vietnam large enough to warrant the investment required to get the goods to market, according to industry officials. American oil companies were shul out of Vict-

nam because of a U.S. trade embargo and complained loudly about the golden opportunities they were missing. Now it seems Uncle Sam served them well. "Probably the State Department did American companies a favor by keeping the embargo on," said David Melzer, an executive with Premier Consolidated Oilfields PLC, a British oil company that is not exploring in Vietnam.

If Vietnam is a bust, it will be a costly one. Oil companies have already spent more than half a billion dollars in Vietnam and will likely spend double that amount in the next three years, said Ian Cross, geological manager of IEDS Ltd., an energy consultancy.

"The feeling is it could go the same way as onshore Burne," said Mr. Cross. Oil companies spent roughly \$500 million in a fruitless search of igles and plains beginning in the late 1980s, before the bulk of them conceded defeat.

Typically, oil companies make binding commitments to governments to spend a specified amount of money, or drill a certain number of wells, in exchange for exploration rights.

"There was perhaps a little overselling of prospectivity in Vietnam in the early days," said James G. Ross, an executive of Gaffney, Cline & Associates. tendency to go from hot spot to hot spot."

Exploration in Vietnam has been so disappoint ing that an estimated 80 percent of the licensed areas have been opened up by the licensees to new investors. "People are getting desperate to find new partners before the next round of drilling," Mr. Cross said.

To discourage companies from leaving. Vietnam has begun to extend exploration licenses without requiring new spending or activity commitments. Petro-Canada Inc., Canada's national oil company, has won a six-month extension its three exploration areas

But while giving with one hand. Hanoi seems to be taking away with the other. It recently introduced royalties on new oil and gas production, and

The U.S. trade embargo seems to have kept American companies from making a costly mistake.

raised income taxes on oil companies. "They are in danger of killing the goose even before it lays the golden egg," said Mr. Melzer.

While most energy specialists think Vietnam is less promising than originally predicted, there are those who still hold out hope. Tilak Doshi, an energy specialist with the Institute of Southeast Asian Studies, looks at the results so far and sees opportunities: White only one of the 26 wells drilled so far has commercial potential, 10 of the wells had small amounts of oil or gas. That suggests there may still be some "elephants," or large oil fields, out there.

Clearly, the industry is not prepared to give up.

County Naturest Wood Mackersia of Britain end.

County Natwest Wood Mackenzie of Britain said it expected 28 exploration wells to be drilled this year in Vietnam, up from two in 1992. And it expects as many as 70 wells to be sunk between now and 1997.

# **Doubled Earnings** In China Industry Alarming to Beijing

BELIING - China's 357,000 industrial enterprises more than dou- enterely different products. bled their earnings in the first five months of 1993, according to figures released Wednesday, prompiing official warnings about an overhealing economy

The statistics bureau said industrial enterprises earned nearly 51.3 billion yuan (\$9 billion; from January through May - 2 110 percent increase over the same period last year, the China Daily reported.

Sales were up nearly 40 percent, to 1.104 trillion yuan, and pretax profits surged nearly 50 percent, to 129.6 billion yuan.

Economists at the statistics bureau warned that the staggering increases were evidence of imbal-ances in the economy. Growth has surged to a rate of 14 percen; a year in recent months.

"The impressive gains also concealed problems that, if not resolved in good time, might drain the economy and stille market de-mand," the statistics bureau said. "The speedup in industrial production has been excessive and has created tension between different sectors of the economy."

Many of the gains were reported in large and medium state enter-prises, indicating that reforms ordered in 1991 are bearing fruit and

perhaps distorting the figures. Unprofitable state enterprises were ordered to reorganize by halfing production and merging their lots of exposure to China he said.

plants and workforces with profitable businesses, often switching to

Some enterprises also eliminated support of hospitals, schools and other nonprofit operations. Analysts said these reforms could be a

major factor in the earnings surge. The Xinhua news agency attributed the increased efficiency to autonomous management, growth of heavy industry and soaring consumption in the coastal provinces.

The statistics bureau reported last week that industrial produc-tion increased by 25.1 percent in the first half of 1993, compared with the same period of 1992, Industrial growth was up a record 30.2 percent over the same month a year earlier.

### ■ Tsingtao Toasts a First

Tsingiao Brewery Co. will make history Thursday when it becomes the first Chinese state company to be listed on the Hong Kong stock exchange, Bloomberg Business News reported from Hong Kong. China's top brewery beat eight other state enterprises to the Hong

Although the listing is historic, it will not set any price records, traders said. "Tsingtao is going to meet with some initial selling because of China's current economic problems," said Giry Devenish, associate director at Smith New Court, Investors are shying away from stocks with

Singapore Straits Times Nikkei 225 Hang Seng 7500 17000 Wednesday Prev. Exchange index Change Close Close 6,956.10 6,955.50 -0.01 1,777.52 Singapore Straits Times 1,775.11 1,804.20 All Ordinanes 1.B04.50 20,139.11 20,180.42 -0.20 Nikkei 225 Tokyo Kuala Lumpur Composite 719.30 718.66 +0.06 -0.85 892.9B 900 66 SET Bangkok Composite Stock 762.96 762.94 Ucch 4,013.18 +0.23 Weighted Price 4.022.47 1.616.98 1.624.68 -0.47 Composite Stock Index 357.19 356.76 +0.12 NZSE-40 1 723.73 New Zealand 1,706,62 -0.99 Bombey National Index 1,027.30 1.028,90 -0.16

### Very briefly:

Investor's Asia

Hong Kong

 U.S. companies must wait an average six to seven years for a Japanese development license, compared with two years to obtain an American patent, the U.S. General Accounting Office said.

 Dream Co., which operates hotels and pinball parlors, is seeking court protection from its creditors, according to Gajoen Kanko K.K., a hotel

company in which Dream Co. has about a 22 percent stake. Sharp Corp. plans to raise the value of goods it imports by 20 percent, to 130 billion yen (\$1.19 billion), during the year that ends March 31.

months of 1993, to 257.11 million cases, the Nihon Keizai reported. Chrysler Corp. and Philand Motor Corp. of the Philippines plan a \$52 million ear factory at the former Subic Bay Naval Station.

Japanese brewers saw beer shipments fall 1.1 percent in the first six

# Lion Nathan Says It Bid for SA Brewing Assets

WELLINGTON - The New Zealand brewing company Lion Nathan Ltd. posi-tioned itself Wednesday to overtake Foster's Brewing Group Ltd. as Australia's largest brewer by making a bid for the breweries of

SA Brewing Holdings Ltd. Lion said it had raised 260 million New Zealand dollars (\$143.1 million) through a placement of 85 million shares, mainly with Australian brokers. Terms were not disclosed, but that amount exceeded the \$120 million that analysts in New Zealand said

Douglas Myers, the chief executive of Lion Nathan, said the company had made a bid for SA's breweries, but did not disclose the value of the offer. He said the share placement also raised capital to strengthen Lion Nathan's balance sheet.

A purchase at \$120 million could boost Lion's share price, which has been in the doldrums since the Bond Brewing purchase because the New Zealand concern was considered too highly leveraged.

Lion's shares, however, closed 10 New. Zealand cents lower Wednesday, at 3.30 dol-

lars, mainly because of the dilutive effect of good strategie move for Lion and would the share placement, which was at 3.05 dol- improve its balance sheet. lars a share. Lion's shares stood at 4.80 dollars a year ago.

Lion Nathan, New Zealand's largest brewer, became a major competitor of Foster's in 1990 when it bought the Tooheys, Swan and XXXX brands from the crumbling Bood Brewing empire, formerly controlled by ty-

Those brands give Lion more than 40 percent of Australia's beer market. Still, analysts said the purchase would be a

"If the price is right, it has the potential to be very positive for Lion," Peter Sigley, an analyst for ANZ McCaughan, said. SA Brewing refused to comment on Lion's

bid and has not confirmed that breweries are on the market SA Brewing has 73 percent of the beer market in the state of South Australia, through its West End. Southward and Eagle

hrands, and around 9 percent of the total Australian beer market,

(Reuters, Bloomberg)

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signed announces that a from 22 July 1993 at Kas-Association N.V., Spinistrant 172, Amsterdam, C.UR; Xerox Corporation each reps. 1 share will be payable with Dis. 1,22 net. (div. per rec. date 04.06.93; gross 5 0,73 p. sh.) after deduction of 15% USA-tax = 5 0,1125 = Dfls. 0.21 Div. cps. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax (= S 0.1125

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AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 5 July 1993.

# Hong Kong Toll Compromise

HONG KONG - A consortium that will operate a new tunnel-

under Hong Kong's harbor agreed with the government on Wednes-day to reduce its maximum profit from the project.

The Western Cross Harbor Tunnel consortium will get a maximum 16.5 percent return on its investment for the first three years of the nuncies operation, down from 18,5 percent agreed earlier. If toll receipts provide more money, it will be set aside to defray future increases. The initial toll is to be 30 Hong Kong dollars (\$3.69). An existing tunnel that connects Hong Kong island to the Kowloon peninsula now charges 10 dollars.

The arrangement is a compromise with Hong Kong legislators, who thought the original profit margin was excessive. The terms were agreed among the consortium, which will hold a 30-year franchise, and the governments of China and Hong Kong. Chinese-backed companies own 48 percent of the consortium.

# Thailand Heeds U.S. on Copyrights

BANGKOK - Thailand's cabinet bas approved amendments to the country's copyright law to cover computer software, rental rights

and performers' rights. The amendments are part of Thailand's efforts to convince Washington it is serious about protection of intellectual property. said Abhisit Vejjajiva, a govern-

Chuan Leekpai asking Thailand 10 the amendments before Dr. Supa-mainly sent oral warnings.

submit new copyright legislation \_chai Jeaves, but I can't be sure if during the current session of parliathey will approve it," the spokesment, which ends July 30, Mr. Abbisit said.

The trip is yet another move by

"It is my understanding that the U.S. still may not be fully content with this draft," he said. "This is certainly something we will have to

Deputy Prime Minister Supachai Panitchpakdi is to meet with U.S.

Thailand to ward off trade sanctions, which Mr. Kantor has threatened to impose if intellectual property protection is oot improved. Mr. Kantor said he would rule on the issue by July 31.

Thailand has long been considered by the United States as one of Earlier this year, the U.S. trade the copyright issue. Mr. Abhisit representative, Mickey Kantor, sent a letter to Prime Minister the copyright issue. Mr. Abhisit the biggest violators of intellectual property rights. Until recently, however, the U.S. government

Weekly ner asser Leveraged Capital on 12.07.93 Holdings US \$ 80.18 Listed on the

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Contract: One year, renewable annually.

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# **AFREXIMBANK**

The African Export Import Bank (Afreximbank) is to be established during the 3rd quarter of 1993. It will be an International Institution with shareholders consisting of African governments. African Central Banks, the African Development Bank, African and non-African financial institutions, private investors and others. It will be headquartered in a North African city and will open branches beginning with one in Southern Africa. Afreximbank's mandate is to increase exports from Africa and to expand intra-African trade. It will finance exporters and imponers directly and indirectly through trade finance institutions such as commercial banks.

The Afreximbank seeks a President who will be its Chief Executive Officer responsible for organizing and establishing the operations of the new institution as expeditiously as possible.

The candidate should be a national of an African state with extensive experience in international banking and in managing complex organizations. He or she must be a person of very high calibre and an effective communicator who will command the respect of senior government officials and international bankers. The candidate must be fluent in either English or French with a working knowledge of the other. Knowledge of Arabic and/or Portuguese will be a definite advantage.

Interested candidates should write in confidence to: Mr. J. W. OTIENO, Deputy Director, Central Department (Coordinator, AFREXIMBANK), African Development Bank, B.P. 1387, Abidjan, Cote d'Ivoire, Fax # (225) 20 49 **07.** Applications should be received no later than 31 July, 1993.

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International

# NL Starts With a Bang, Ends With a Whimper as AL Romps

Fun and Games, and a Sixth Straight

Hinhucton Pest Service
BALTIMORE — Major league
teaschafts 64th All-Star Game had
its ragged edges, but it certainly

A whirlwind of an evening at Oriole Park at Cantden Yards began with wild cheers for Baltimore shortstop Cal Ripken, weaved its way through some attention-grab-bing offense and memorably lighthearted moments, then ended with et another found of jeers at Toronto's Cito Gaston for the manag-er's failure to use hometown pitchor Mike Mussina in the last inning.

When it was over, the American League had continued its All-Star dominance of recent years with a 9-3 triumph over the National League in front of 48,147, the largest crowd ever to jam its way into this picturesque ballpark. Perbaps more importantly, the show lived up to its massive buildup.

as this became the first All-Star Game ever to produce home runs in each of the first three innings. The NL grahbed a 2-0 lead in the top of the first when the Florida Marlins' Gary Sheffield became the first expansion-team player to hit an allstar homer, with a two-run shot against AL starter Mark Langston. But the AL responded with bases-empty blasts by Kirby Puckett off starter Terry Mulbolland in the second and by Roberto Alomar iff Andy Benes in the third, then

Puckett, who entered the game without so much as an All-Star evtra-base hit or RBI on his resume. added a run-scoring double in the AL's three-run fifth and was voted the most valuable player award. Albert Belle and Ken Griffey Jr. provided RBI singles in the fifth off osing pitcher John Burkett as the AL totaled seven runs in innings "ive, six and seven,

never looked hack,

"It's something I never even thought about." Puckett, playing in its eighth all-star game, said of the MVP honors, "It feels real nice.

Mostly it was a good night for the much-maligned Toronto Blue Jays' all-star contingent, highlighted by Alomar's home run and Dev-on White's RBI double. It also was a good night for other hitters, who ned all-star records with seven doubles and 10 extra-base hits. The NL's Barry Bonds equaled the allstar mark with two doubles and

Sheffield also had two hits. Still, the AL won its sixth straight game, has captured seven of the last eight and eight of the past 11. The six-game string is the third-longest winning streak in allstar history.

"Those guys are powerhouses wer there." Bonds said, and they're tearing us up right now."

It was not a good evening for the Atlanta Braves' all-star party, which had two errors, plus two run-scoring wild pitches by John Smoltz in the AL's three-run sixth. That prompted the crowd to begin a round of derisive "tomahawk chops."

The fans saved most of their displeasure, however, for Gaston, who sent his own Duane Ward to the mound in the top of the ninth rath-

DENNIS THE MENACE

er than Mussina. Mussina, who warmed up in the bullpen while Ward pitched, said he was not upset because he had been told before the game that he and Pai Hentgen of the Blue Jays likely would be held hack for extra innings. He merely was getting in his regular between-starts work in

the hullpen, be said. Said Gaston, who already was unpopular among the locals for leaving Orioles Chris Hoiles and Gregg Olson off the team: "I guess I should just get out of town.

The night's quirks included a classic at-bat in which AL fast-ball pitcher Randy Johnson struck out Philadelphia first baseman John Kruk after throwing a ball to the backstop, and Texas catcher Ivan Rodriguez lodging a line drive in the left field fence. Jack McDowell. a pitcher for the Chicago White Sox, picked up the victory with just one inning and eight pitches of work.

This was Baltimore's first All-Star Game since 1958, and thus the Things got started with a bang. first at new Camden Yards, Yet, at least in the early going, it looked as if it would be well worth the wait.

Neither starting pitcher exactly sparkled, Langston quickly got the AL in a hole when, with one out in the top of the first. Bonds ripped a double into the right field corner and Sheffield picked on a high fast-hall to pull a high fly just inside the left field foul pole for the night's first home run.

It didn't take the AL long to respond. In the bottom of the second, Pucketi took a low fasthall from Mulholland and hammered it over the fence in straightaway center field to make it a 2-1 game. An inning later. Alomar tied made it 2-2 with his leadoff homer off Benes.

Johnson provided perhaps the evening's best moment, in the top the third. The 6-foot, 10-inch 12.1-meterileft-hander with a fastball that flies at 98 miles per hour (158 kilometers per hourt sent a pitch sailing well over Kruk's head, all the way to the hackstop. That is enough to unnerve any hitter, and Kruk was no exception. He stepped distinctly toward first base on each of his next few swings, and Johnson left the mound grinning after strik-ing him out on an almost-unfair

"The hall just got away," Johnson said, "But John has the type of personality, I think, that he didn't think anything of it."

The other contender for best moment got the AL started in the bottom of the fifth. Rodriguez's fly hall to the alley in left-center field hit the wall-and stayed there, lodging itself between two pads for a ground-rule double. The AL proceeded to get three runs off Burkett for a 5-2 edge.

Alomar's ground hall got Rodriguez to third base, and he scored on Belle's single to right field. Belle kept going, hustling his way into second when David Justice fumbled the ball for an error. Griffey got Belle home with a sharp single to right, and he reached second on Justice's off-target throw home. Burkett hit Cecil Fielder with a pitch, and Puckett's double to leftcenter scored Griffey from second.

It's been a subpar year for Puck-ett, at least by his lofty standards. His Minnesota Twins are founder-

a respectable figure, but not daz-zling for him. Still, he knows how to perform when the spotlight is the brightest.

"A lot of people say I should not be here because my numbers are down. Puckett said. "But I went out and played hard every day."

The NL got within 5-3 in the top of the sixth on Bonds's second dou-hle of the game. Sheffield's groundball single and Barry Larkin's runscoring fly ball. But the NL unraveled in the bottom of the inning, when Smoltz tied an all-star record with his two wild pitches and the AL got three uncarned runs to boost its advantage to 8-3.

With two outs, shortstop Jeff Blauser committed the Atlanta contingent's second error of the contest when he muffed Carlos Baerga's roller. Steve Avery of the Braves then walked Belle and al-lowed White's RBI double before giving way to Smoltz. The right-hander wild-pitched Belle home on his first delivery.

The derisive "tomahawk chops followed, as Smoltz wild-pitched



Kirby Puckett, with his homer in the second inning, got the American League rolling and won himself the most valuable player award.



The National League's Top Pitchers



All-Star

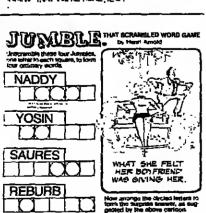
Boxscore

The Top Batting Averages in the National League



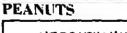
Joe Carter, in the outfield with Paul Molitor and Wade Boggs ing in last place in the AL West. before the game, must have wondered about the sign behind them.

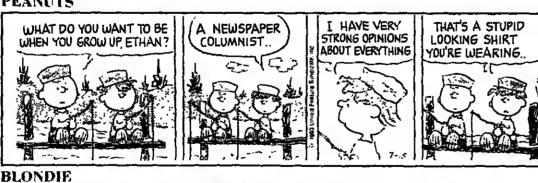
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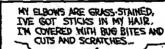
TO OUR READERS











CALVIN AND HOBBES







WIZARD of ID





**REX MORGAN** 





# SPORTS BRITI

# Indurain, in Alps, Puts Stamp on Tour

By Samuel Abt

SERRE CHEVALIER, France sage two days earlier when he easily won a time trial, Miguel Indurain sent it again Wednesday: He will be a hard man to beat in the Tour

The message might even read that, barring accident or sickness. he will be impossible to beat

The Spaniard, who has won the last two Tours de France while riding for the Banesto team, came in third Wednesday in a three man finish after the first of two daily stages in the Alps. He might have won the ge but, out of traditional courtesy by the overall leader, fell back in the sprint and allowed his two traveling companions to fight it out.

The hitherto unlucky Tony Ro-minger, a Swiss with the CLAS team, took the victory over Alvaro Mejia, a Colombian with Motorola.

They were timed in a rapid 5 hours,
and a minutes, 52 seconds, the same time as Indurain. Fourth and fifth. 1:13 behind, were Andy Hampsten, an American with Motorola, and Zenon Jaskula, a Pole with GB-MG. Nobody else was close.

Among the lesser losers was Erik Breukink, a Dutchman with ONCE, who started the day in second place overall behind Indurain. He lost more than 31/2 minutes.

Bigger losers included such pre-viously favored riders as Alex Zulle, Gianni Bugno and Claudio Chiappucci. Zulle, a Swiss competing with ONCE, lost nearly seven minutes; Bugno, an Italian with Gatorade, lost nearly eight, and Chiappucci, an Italian with Carrera, lost nearly nine.

"Indurain is very strong." Ro-minger said, acknowledging the obvious. "I attacked him two or three times during the stage and each time he caught me."

When the 204-kilometer (126mile) run from Villard de Lans to Serre Chevalier was over, having crossed three major peaks in the Alps, Indurain stood far atop the 167 riders remaining of the 180 who started the bicycle race.

Second overall, 3:8 behind the Spaniard, was Mejia. Jaskula (4:16) and hardly any French stars at all. was third, Breukink (5:7) fourth. The next generation, now 23 or 24 Rominger (5:44) fifth and Hamp- years old, like Virenque, is highly

rivals to attack him in the Alps, he went on the offensive himsel

SERRE CHEVALIER France II was impossible to attack him on the Galibier because he was always with me," Rominger exred. He was discussing the third and final climb of the day, up the Galibaer peak for nearly 18 kilometers at an average grade of 6.8 percent. The Galibier is rated beyoud category in length, toughness and steepness, and it was there that indurant struck, helped by an earlier attack by Rominger that broke apart the pack.

While the Swiss and the Spaniard set the pace on the climb, a group of five racers—the first five finishers — began widening their lead over the shattered chasers. Near the top, Indurain suddenly accelerated, leaving Hampsten and Jaskula behind.

Rouninger was first at the summit, winning at 20,000-franc (\$3,650) prize, with Indurain second and 10,000 francs richer. Mejia won only applause from a huge crowd as he trailed them over.

Then the three tore along the 27meter descent to Serie Chevalier, often hitting speeds of 90 kilo-

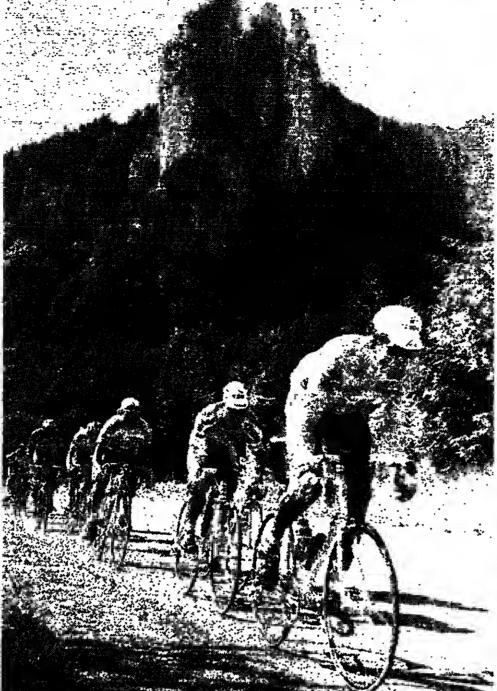
meters an hour and preventing anybody else from making up time.

At an overall speed of 37 kph, the stage finished nearly 50 minutes ahead of the earliest predicted time in the Tour's official guide. That is the way the race has been going since its start July 3 and there is no reason to suspect the pace will slackreason to suspect the pace will slack-en before the end in Paris on July 25. And so the French national day came and went like all the other days since the three-week race began: with almost no trace "de rance" in the Tour.

No rider for a team from the host country has been close to a victory so far and few French riders have shown their backs to the pack in even an aborted breakaway. The best French finisher Wednesday was Richard Virenque, in eighth place, 4:35 behind. The highest overall ranking for a French rider is

longer any star French climbers sten (8:6) sixth.

This 80th Tour de France is exactly half over and Indurain must
be considered a huse favorite now,
He is strong and he is so smart (2.7 In the media, at least, voices are



Charly Motter's seventh place, a Miguel Indurain lead the way up Wednesday's first climb, the 1,924-meter-high Glandon, dismal 9:44 behind.

The problem is that there are no . sion or to read the French press, one would judge this a great humiliation to the national spirit. The public, however, appears to be indifferent to the disgrace and is turning out in the usual huge numbers at the side of the Tour's many roads.

All along the three climbs Wednesday, hundreds of thousands of spectators sat hunched and bundled in the sunny but cold weather

to cheer along their favorites, to ond over the first climb, the 1.924spell their names in rocks on glaciers meter-high Glandon, and first over and even - oh brave new world to spraypaint the riders' oames in high Telegraphe. dayglo colors on the snow.

men as Motter. Thierry Claveyrolat, Thierry Bourguignon and

the second climb, the 1,566-meter-

But on the third climb, the Gali-French racers tried to make bier, Claveyrolat faded. There was something of the occasion and such no shame in that since so did nearly

François Lemarchand often stayed Thursday when an even tougher near the front Claveyrolat was see- Alpine stage is scheduled.

### everybody else. They get a chance to improve

# British Open dehul

He added that it was important

don't have to do this week to week. people have woken up feeling like or I wouldn't make much money."

Faldo and Nick Price know each other as the favorites to win the 122d British Open this week. So do Payne Stewart and Bernhard Langer and, perhaps. Paul Azinger. The category helps shield them from

nal Herald Tribune

By Ian Thomsen

SANDWICH, England - Nick

A category is also shared by the usual British contenders, who receive plenty of moral support. There is a category for former champions, always directly opposed by the potential champions. One side cannot win without limining the other. There are a lot of other categories for players not worth mentioning, but at least they have a secure place to store their

And then there is John Daly, He s alone in his category. He invented his category.

Everyone else need not look far to find solace or strength of rivalry. John Daly has no such community. How and where will he fit into the world's oldest major golf tourna-ment beginning Thursday? It is like trying to find room at the zoo for King Kong.

He arrived Tuesday on the private jet of Jack Nicklaus, with whom Daly is compared, ludicrously. Later they stood in south-west England on famous Royal St. George's, overlooking Sandwich Bay from the tee of the fifth hole, a 421-yard (385-meter) dogleg. Daly asked, "What do I hit here." Nicklaus said, "Well, you play an iron out here somewhere, and

then you pitch it in." Daly said, the way kids do starng up at rollercoasters. "I want to

hit a driver." Here one can imagine the Nick-laus shrug, the blank accompanying frown, as he tried to explain that no one had ever tried such a thing, that no one could even say where the green was, so how can you aim for a target without knowwhere it is

But by then Daly had already unsheathed his driver of its cover, a shaggy red and white Arkansas Razorback puppet with two white fancs. Swinging all the way around, as if trying to scratch his hack where he ... can't ... quite ... reach, he sent three drives away. each over its own distant hill. Two players had been on the green, like South Dakota farmers when the meteorites fall out of the sky. One

of these lipped out of the cup. Daly believes this course offers him more opportunities to over-whelm the imagination than did Muirfield last year, where he finshed last at 14 over par in his

"If the wind blows real hard, there's no telling what I'm going to do," he said. "I definitely wouldn't put myself as the favorite to win. The European guys definitely have courses like this. I'm just glad I a lot of people have - a lot of

Daly Mail Comes Express

To the Awe of Sandwich

to become the first Briton since at an early age." World War I to win his fourth British Open. Price, out of Zimhabwe. has been the dominant player on the American tour, and is seeking to overtake Faldo in the world rankings. Langer, the German who won the Masters championship. might be the favorite if not for the neck problems he has suffered

since before the U.S. Open, Stewart, from the United States. who has not won since his championship in the 1991 U.S. Open, has declared himself a contender. Seve 23d. He is a 66-1 so-longshot.

Royal St. George's is 6.860 yards long, par 70, humpy and hard. Considering the role of wind in "275 cc." Zoeller said. "What does that mean." "That's cubic centimeters." Daly enforcing bad bounces. Faldo has suggested — as he would — that only those with a total game should consider winning. In the 11 Opens olayed here, only Bill Rogers of the United States, with a 276 in 1981. has succeeded in breaking par.

Azinger, another American, is good around the greens and hits the ball low, but Faldo questions his lack of a draw. The defending champion also doesn't believe that high-ball hitters have much chance Daly swung as he always does, as at all, a justifiable opinion that he will every drive this week, and However, he did not appear wor-

I'm fortunate to be alive, and I'm fortunate to be playing golf." said Daly, at 20 a recovering alcoin the hospital. "I drunk myself like head.

crap. With me, I just happened to The beiting favorite is Faldo, the pass out and not wake up for a defending champion and world's couple of days. I was just doing it at No. 1-ranked golfer, who is 6-to-1 an early age, and now I'm quitting

> Early in his practice round Wednesday, he allowed a 12-yearold in the gallery to see off with his outrageous driver, known as the "Killer Whale." The boy turned out to be a Muscovite named Igor Kazakov, who owns an incomplete set of clubs and knows of only one course, of nine holes, in Russia. By the end of the round. Fuzzy Zoeller was arranging for a full set of new

Duniop clubs for the boy. Daly's iron shots took off like bottle rockets, the expensive kind. Ballesteros cannot say the same. In As he walked off the tee he could behis last 10 tournaments, the 36- heard to say, "Sssss," mimicking year-old Spaniard has missed five the sizzle of his outrageous drives. cuts and hasn't come in better than At the 17th, Zoeller grabbed the club and read from it.

"Oh, that's big time." Zoeller said. He swung the club hack and asked, "Does this club automatieally go back here?"
Its head was touching his left

knee. Zoeller hit what he called a

"Godforsaken" shot, then watched his own driver fall into Daly's grip. "Don't hurt it, it's the only one l got," Zoeller said.

would seem the end of Daly here. the ball sizzled off to land some 300 yards away. He tossed the club at Zoeller and said, in stronger words than these, that he didn't want to hear him complain again. "It's never been hit that hard."

holic whose addiction has put him Zoeller whimpered, patting its



John Daly, he of the thundering golf sbots, had a soft touch

# Mitterrand Throws Support to 'Intelligent' Tapie Compiled by Our Staff From Disputcher. Coach of Valencienness of offering harking back to when Tapie was average than second-place Paris St. —I think greater prudence is part of the coach to accept the urban affairs minister in the Germain, Marseille had the title called for." Mitterrand said.

Mitterrand waded into France's the blame for the alleged bribes.

But the president of the French league, Noël Le Gract, said that its officials had been "almost convinced" from the start that the allegations were true, and he appealed to Marseille officials to divulge what they know about the affair.

The club's general manager, Jean-Pierre Bernes, has been accused by players from the Valenciennes team of trying to bribe them to go easy on Olympique Marscille in a league match May 20, six days before the Champions Cup final for the European title. And Tapic himself, an ouspoken politician-entrepreneur, has been accused by the former

was set as the day for Bernes to of offering the bribes. Tapic got some influential sup-

port at Mitterrand's traditional Bastille Day interview by the press. "As president of OM, I think he's done very well," Mitterrand said."He is intelligent and energetic. I don't know why he should be mentioned in connection with this

to be named, if he ever is, in the legal proceedings. "He proved to be an excellent

former Socialist government.

Mitterrand waded mu remarks.

Le Gract said he boped that soccer bribery case Wednesday.

Le Gract said he boped that "As for the affair itself, like everybody else, I don't know anything throwing his support behind the Bernes and Tapie, "if he knew erybody else, I don't know anything derstand is why such a great club would do something so dubious what was going on" — would now about it." Mitterrand said. "I know would do something so dubious thought it was widespread replied: "I hope not." Meanwhile, next Wednesday opinion about players' abilities ... and I like OM a lot, it's a great team

meet those who have accused him which owes a lot to Bernard Tapic." Tapic was named urban affairs minister in April 1992, resigned six works later after being indicted on fraud charges following a suit brought by a former business partner, then was reinstated seven mouths after that when the case was settled out of court.

Mitterrand also stressed that Marseille's 1-0 victory over Valenaffair, when Bernard Tapie has yet ciennes may have secured a fifth straight French league title, but nister," the president continued,

virtually locked up.

a bit about football. I've got my and shocking for nothing," Mitterrand said.

He also criticized the judiciary and the media for not showing more prudence.

"It's not up to a magistrate to keep anybody informed while he is examining a case because the socrecy of an investigation is what ensures respect for the person under suspicion, who must continue to be

presumed innocent," he said. Throughout the investigation. the prosecutor. Eric de Montgolfier, has briefed the media and that with a four-point lead with two made clear there are grounds for matches to go, plus a better goal suspicion against Tapie.

POOTBALL

BASEBALL

Japanese Leagues

FOOTBALL
Notional Football League
BUFFALO—Signed Mills Deville, content Sebagitant Savage, distensive backs John Parella,
defensive tocklas Corbin Locking, guard; Chris
Luncherg, tockles Parl Alus, fight and; and Rus-

Marseille by demoting it to the sec-ond division, arguing it would be unfair to the players not involved. He said he was not sure, howev-er, whether Marseille would be al-

lowed to defend its European crown in September. In Wednesday's draws for next season's tournaments, Marseille was matched against AEK Athens in the first round. (See Scoreboard) UEFA had said Tuesday that Mar-seille could remain in the draw, but

gave the French federation until

Le Graet, again, said the league

would not be rushed into punishing

Aug. 30 to name another team if it so decided. Bernes, now in a hospital prison being treated for depression, is to be interviewed again next Wednes-day along with the Marseille player Jean-Jacques Eydelie, who claims he was a middleman for Bernes, and the three Valenciennes players who have said they were offered the bribe. Christophe Robert, Jorge Bur-

David Platt, captain of Esgland's national team, left Juventus to join Ruud Gullit, former captain of the Dutch team signed Tuesday, at Sampdoria in Italy. England de-fender Des Walker left Sampdoria. signing a four-year deal with Shef-field Wednesday. (AFP, Reuters)

ruchaga and Jacques Glassmann.

### SIDELINES

### Ruling on Cyclist Nelissen Delayed BRUSSELS (AP) — A ruling was delayed Wednesday on whether to suspend cyclist Wilfried Nelissen for allegedly using a banned substance

during a race in Belgium this season. Nelissen is now riding in the Tour de France and held the lead for two

days last week. The regional government of Flanders suspend him for six months after traces of amphetamines were found in his urine following the April 21 Schelt Prix, said a government spokesman. Bob De Richter.

### British Discus Thrower Suspended

LONDON (AP) — Three-time national discus champion Peter Gordon has been suspended by the British Athletic Federation pending an investigation into a possible infringement of drug-testing rules.

The decision means Gordon will miss this weekend's trials for the world championships in Stuttgari next month. Gordon said he was

suspended for failing to provide an adequate urine sample during the British championships five weeks ago. ● U.S. District Judge Joseph Kinneary realfirmed in Columbus. Obio. his jurisdiction in the \$27.3 million civil judgment sprinter Butch Reynolds won against the IAAF.

### For the Record

Juan Antonio Samaranch, the IOC president, said Brasilia should withdraw its "very weak" bid to host the 2000 Olympics. (AP)

Kieren Perkins, the Australian swimmer, bettered his 1.500-meter freestyle short-course world mark by almost six seconds, to 14 minutes,

26.52 seconds, at the Oceania-Asia meet in Auckland. (AP)

Jeff Harding of Australia, the WBC light-heavyweight champion,
pulled out of his title defense against Frenchman Eric Nicoletta on July
31 in Antibes, citing problems with financial arrangements. (Reuers)

### Graf Is Expected To Play in Cup

The Associated Press

FRANKFURT - Steffi Graf is likely to play for the Federation Cup's defending champion. Germany, which Wednesday drew Australia as its first-round opponent in the week-long women's team tennis competition that starts Monday.

Graf, who returned this week from a vacation in the Caribbean. has had a foot injuty for weeks. Despite it, she won both the French Open and Wimbledon titles.

Graf, who has regained the No. 1 ranking in the world following the stahhing of Monica Seles, was told by her doctor last week that she should rest for several weeks.

But the Cup's director, Christian Thiemann said Wednesday that "I am sure that she will play."

The newspaper Bild Zeitung quoted Graf's father, Peter, as saying the foot injury was healing well. Top-seeded Spain, which lost to

Germany in last year's final, will play Britain in the first round of the -nation tournament. The United States, seeded sixth, faces Canada,

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### SCOREBOARD Skonto Rigo (Latvio) vs. Hanvar Thershave (Parce (slands) Odense BK (Denmark) vs. Publikum (Slave SOCCER

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USFA CUP First Round First Lest Seet. 14-15; Second: Seet. 28-29 IRK Norricopins (Swaden) vs. FC Mechain (Balaina)

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CYCLING Tour de France

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CSKA Sofiq vs. Albeiro-Botzers Winner
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Terpedo Moscow vs. Ducklempe-Holfo Winner
Kasica-Villabs winner vs. Besikton (Turkey)
Panothikolikos (Greece) vs. Luov-Shelbourse Results Wednesday from the 19th stops, a 294-kilyonader (127-mhs) stretch from Vibrard de Lains to Serye Cheveller: 1, Tony Routiner, Switzerfond, CLAS, 5 hours, 21 minutes, 32 seconds; 2, Alvara Mella, Colombia, Molorola, some Timer: 1, Misuel Undurchin, Sooin, Sonesda, 9, 14, 4 andr Vannesten, U.S., Methodo, 1, minutes, 13 seconds behind: 5, Zenon Jostovic, Polorid, GB-AGS, 9, 1, 4, Eric Breikiris, Netterfonds, ONCE, 3:122; 7, Offiviero Rincon, Colombia, Arharya, 3:232; 9, Roberta Costi, Italy, Ariosteo, 4:23; 16, Javier Mauleon, Spoin, CLAS, 4:35. Publikum (winder) vs. Arsenal FC. Oderse-Publikum (winder) vs. Arsend FC
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Taithn-Lillestreem winner vs. Torina
Benfica Lisbaa vs. Kofowice (Poland)
Levuckusen vs. Brno (Cisch Rebublic)
Stemo-Deseriors winner vs. AC Parma
Rayklavik ar Anialantoski vs. FC Aberdeen

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Hroshima JJ 35 36 0
Yomiuri 35 36 0
Chunichi 32 35 1
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Wadaesdor's Results
Yokust 7, Yokohama 5, 14 innings
Yomiuri I, Niroshima 8
Honshin vs. Chunichi, sod. Mouleon, Spoin, CLAS, 4:35. Overall Standards rall Standings: 1, Indurpin, 40 hours, 58 es, 17 seconds; 2, Melia, 3:08 behind; 3, io, 4:14; 4-Broukink, 5:07; 5, Rominger,

5:34. 4. Homesten, B.St. 7, Cherty Mottet, France, Novemot, 9:44; 8, Storne RBs, Desmark, Arlan-ten, 9:55; 9, Glenni Bugno, Hoty, Gelorade, 18:14; 18, Alex Zelle, Switzerland, ONCE, 11:09. TRANSACTIONS .... BASKETBALL

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tle congestion at our gates. Two pilots are having a fist fight about whose parking slot it is, so we'll just sit out here and look at the sea gulls until we An hour later he announces. fusion about which gate we are going to. We were originally assigned G-7, but apparently that one is reter 11. So the lower told us to go to

> The flight attendants will pass out playing cards if anyone wants to enjoy a game of gin rummy." Three hours later he says. "We're still waiting for the 106 flight for Buffalo to leave, and when it does we'll be off and running, in the meantime, I am asking passengers to go easy on the drinking water. I have been informed by the cabin

> B-54 and hold there until A-3 was

Buchwald

**Buyers Few for Hats** Of Maxwell's Widow

LONDON - Forty-five hats worn hy Betty Maxwell, the widow of media haron Robert Maxwell, went up for sale at Christie's auc-

But the creations by London and Paris milliners Fredrick Fox, Phillip Somerville, Ian Thomas, Rudolf and Madame Fausta failed to sell except for two of 12 lots bought for less than £200 (\$300). The couple's belongings are being auctioned off to satisfy creditors of Maxwell's

**Landing Gate Blues** EW YORK — The airlines crew that there is only one cup per are having a bit of trouble — person left. The people sitting next to the emergency exits are requestnot flying their planes but parking them. The fact that you land at ed not to try to leap out of the plane your destination is no guarantee via those doors because they will

ART BUCHWALD

still have to wait for their luggage."
The sun started to set on the field that you will be allowed to disemas our plane taxied to a weather station five miles away.

Now the co-pilot spoke, "First, on behalf of myself and the entire crew, we'd like to thank you for using Planet Airlines. The good news is that we're safe and sound. which is a blessing considering how many near misses there are in the sky these days.

The bad news is that even these few planes on the ground can cause gridlock. I know many of you are concerned that you might miss your connections in Dallas. Don't let it bother you. I had an uncle who told me once, 'My boy, if you miss one plane, another one will always come along. He spent most of his life at Chicago's O'Hare airport and passed away quietly in his sleep at Gate F-19.

But that isn't what I want to say. Many of you are wondering when you can get off the plane. I could tell you in three hours or a month, but none of us in the flying business has any idea any more about what's up and what's down. When we last taxied by the terminal there was a large sign that said Full Up. So let's make the most of it. In answer to your question as to whether you could eat yesterday's airline food, our medical adviser says that it's not a great idea."

I had a feeling that we were about to have a mutiny, with the passengers taking over the plane and sliding down the emergency

Suddenly the pilot came on the air, "Folks, your patience has been rewarded. We've been assigned Gate A-3 which is probably the most sought-after parking slot at the Dallas airport fi's been completely redecorated, and every air-

ime hopes and prays to get in it.
"I want to thank you for flying
Planet Airlines, and I hope that the next time you travel you remember us. By the way, you have all been awarded 5,000 frequent-flyer miles for the time you spent overlooking the hird sanctuary at the end of the

# Into the Sunrise With the Dirty Dozen fortune from Stevie Wonder and Spyro

By Mike Zwerin

International Herald Tribune

MONTREAL — The Dirty Dozen

Morals Band grew out of a tradition described by the old saving which goes that "if a fly flies crooked in New Orleans, and the described will follow in with a named and the same somebody will follow it with a parade."

Jazz will celebrate its centennial anniversary at the end of the decade. It began with the New Orleans brass marching bands like the Tuxedo and the Olympia, and with Jelly Roll Morton, who said that he invented jazz and whose music the DDBB interprets on their latest Columbia album.

The Dirty Dozen Brass Band is neither dirty, a brass band, nor 12 people. Two trumpets, two saxophones, a trombone, a sousaphone (a sort of unwound tuba) and two guys banging drums rapidly, they are as much influenced by The Neville Brothers. with whom they have worked, as Louis Armstrong They have recorded with Elvis Costello and Manhattan Transfer.

Nevertheless hailed for having revived the brass band tradition in 1978, their name comes from the Dirty Dozen Social and Pleasure Club of which a founder's father was a member. Social and Pleasure clubs throw pictics for birthdays and weddings, raise money for charity and parade for funerals. Sometimes they parade just for the

It is more than likely that as you read this the DDBB will be riding, not marching, into one more in a long series of European sugrises. And just about now, as I write it, co-founder and leader Gregory Davis is discussing accident insurance with the Avis car rental agency in Buffalo, New York. If this is success in the jazz business, and it is, let's not even consider failure.

Trumpeter Davis admits to having all the work he can handle. His mortgage is almost paid up, and he owns rental property in New Orleans. Being black. 36, and a jazz. musician, this might be considered the American Dream come true. The organization he directs has played stadium concerts with the Grateful Dead. It is well regarded and brings pleasure to audiences all over the world (they just concluded three soldout weeks in Japani. Why then is this man

For one thing, he does not have what might be called a fulfilling family life. Al-ways catching planes, trains, driving on turnpike and passing the better part of his life in hotel rooms, he has to refuse work six months ahead if he wants to see his wife and young children on Christmas or the Fourth of July. In times of recession, this may seem like a blessing, but the work is about as hard



Gregory Davis (right) leads the Dirty Dozen Brass Band in Montreal.

Even an off-day means traveling to the next job. For short hops, they rent minivans, which they drive themselves. They sell their owo records and T-shirts, collect their own money, book their own transportation and botel accommodations. Where are all the madies drivers, concessionaires and personal managers? As the old saying goes, "Romance without finance is a nuisance."

The way Davis sees the problem is that "we fall between the cracks." Not knowing how to deal with a real original, he say Columbia does not get products in the right bins of the right stores at the right time. They're too busy dealing with Michael Jackson, Nothing less than seven figures interests them. However, it's also deeper than that. The problem lies in the basic

The DDBB puts on a more ambitious show than most jazz groups, which cuts two ways. Their attractive, energetic, communi-

cative stage presence is difficult to translate to recordings. They must be seen to be believed. So they work for their money. their money will not work for them. Their

music combines R&B, jazz, funk and even-country elements with Cajun and New

Orleans brass band tradition into an at-

tractive, eclectic and delightful gumbo.

This is a deep crack indeed, "We've taken a lot of criticism," says Davis, "Because we're not 'pure' enough. But we never had any intention of being only a New Orleans brass band. We listen to Ray Charles, too. Even Louis Armstrong didn't play 'When The Saints Go Marching In'

But the DDBB has had no "Hello Dolly." They sell in five figures, they pull crowds in four. What sensible modern executive wants to bother with such small change? The best agent Davis ever had could afford to work for the love of the hand because he had already made his

So they carry boxes of their albums to sell after gigs. There are always problems with customs agents. They flew from New Orleans into Buffalo, checked 600 copies of "Jelly Roll" in a locker at the airport and rented two mini-vans to drive to Montreal. A swerving motorcyclist caused the two vans to collide on the Peace Bridge. Nothing serious except for the anguish and a late arrival in Montreal Remaining to Buffalo. they took the damaged vans, picked up the product from the locker and took it to their next engagement in Racine, Wisconsin. The following day they flew to The Hague in the Netherlands. Do you believe this itimerary?

Somebody is throwing darts at a map. The illogic continues. Davis says Colum ha only shipped 50 copies of the Jelly Roll album to the Netherlands. No pro-motion copies to journalists and radio stations, 50 copies to the shops. The last time the DDBB played Holland, Davis sold 200 copies of an earlier album after one gig alone. He knows the market's there. The more he talks, the more bitter he becomes:

Entering the EC, he will have to deal with other customs agents, rent more mini-vans. This is all in addition to playing music five or six nights a week. Their music is difficult and exhausting they blow long and hard. The DDBB has opened for Los Lobos. which travels in two bases and three equipment trucks and books hotel rooms in every city even if it means checking in at 2 A. M. and leaving four hours later. On the other hand, the DDBB often drives directly to the hotel in the next town, gets a full day's sleep and then a full night's sleep after the gig, two sleeps for the price of one. This is another old tradition in the glorious history. of jazz, it's called a twofer.

The resolution of the problem lies in drawing enough new fans so that the name rather than their physical presence will eventually make money. It's called royalties and is what this business is really about. You don't want to drive mini-vans into sumrises into your old age.

Davis sums it up: "I'm comfortable col-lecting the money and taking care of the accommodations and the transportation. If something goes wrong. I can only blame myself. Driving ourselves keep our heads on straight. The guys won't go out drinking and dancing if they know we have to leave after the gig. It gets us to the next place on time. time. The only aspect I have no control over is record distribution; that's the company's job, and they're not doing it."

A few days after I spoke to Davis, Co-lumbia Records decided not to pick up the option on the Dirty Dozen Brass Band

### Heidi Toffler Wants Her Share of Future

Mrs. Future Shock: Heidl Toffler, 63. says she never wanted credit on the cover of her husband Alvin's future-predicting books, even though she had done half of the work. But pressure from feminists and misunderstanding from men who implied "that I wasn't doing any work" finally pushed her "over the edge." The next Tollier effort - "War and Anti-war," due out in October - will have her name out there, too.

Joni Evans seems to have a knack for landing on her feet. Five months after her most recent job, as publisher of Turtle Bay Books, was terminated when the imprint was dissolved by Random House, she moves to the William Morris Agency as a literary agent.

Michael Jackson's Hong Kong fans may be justifiably uneasy these days. Ticket sales to his planned concerts there have been suspended amid fears that the pop singer may delay the start of his "Dangerous" world tour. The tour was to have begun in Hong Kong on Aug. 15 and 16.

Joan Collins recently turned 60, but the former "Dynasty" schemer isn't worried. She told New Choices magazine her goal is "to be living proof that women can be sexy and desirable as they get old-er. The magazine quotes Catherine Deneave as saying: "When I turned 30, people predicted my career is over. At 40, the same prediction was made. Now in my 50th year, I have mixed feelings. . . Bu luckily. European women are valued more than American women as they get older."

. 0 Monty Norman, who wrote the theme time for the James Bond films, won an apology and damages in a London court from the British music magazine VOX, which car-ried a reader's letter saying it was someone else's work. Norman's lawyers said the claim had distressed and embarrassed him. Libel damages were not disclosed.

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### WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather 

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te Actress Moore

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O New York Times, edited by Eugene Malenta

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